

107TH CONGRESS
1ST SESSION

H. R. 143

To authorize the United States to enter into an executive agreement with Canada relating to the establishment and operation of a binational corporation to operate, maintain, and improve facilities on the Saint Lawrence Seaway, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2001

Mr. OBERSTAR introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To authorize the United States to enter into an executive agreement with Canada relating to the establishment and operation of a binational corporation to operate, maintain, and improve facilities on the Saint Lawrence Seaway, and for other purposes.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Binational Great Lakes-Seaway Enhancement Act of
6 2001”.

1 (b) TABLE OF CONTENTS.—

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings and purposes.
- Sec. 3. Definitions.
- Sec. 4. Executive agreement.

TITLE I—SAINT LAWRENCE SEAWAY CORPORATION

- Sec. 101. Functions of Corporation.
- Sec. 102. Board of directors.
- Sec. 103. Director General.
- Sec. 104. Employment system and practices.
- Sec. 105. SLSDC employees.
- Sec. 106. Conflicts of interest.
- Sec. 107. Acquisition of property by Secretary.
- Sec. 108. Corporate powers.
- Sec. 109. Ownership of assets.
- Sec. 110. Transfer of rights, liabilities, and obligations.
- Sec. 111. Continuation of regulations and agreement.
- Sec. 112. Transfer of unexpended balances of appropriations.
- Sec. 113. Audits and reports.
- Sec. 114. Repeal of Saint Lawrence Seaway Act.
- Sec. 115. Authorization of appropriations.

TITLE II—GREAT LAKES DEVELOPMENT BANK

- Sec. 201. Establishment and status of Bank.
- Sec. 202. Functions of Bank.
- Sec. 203. Operational principles.
- Sec. 204. Board of directors.
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- Sec. 206. Forms of assistance.
- Sec. 207. Eligible projects.
- Sec. 208. Conditions on assistance.
- Sec. 209. Bank requirements.
- Sec. 210. Bank corporate powers.
- Sec. 211. Bank membership.
- Sec. 212. United States participation.
- Sec. 213. Limitations on United States liability.
- Sec. 214. Federal Reserve banks as depositories.
- Sec. 215. Reports on bank securities.
- Sec. 216. Jurisdiction and venue of civil actions by or against Bank.
- Sec. 217. Audits and reports.
- Sec. 218. Authorization of appropriations.

2 **SEC. 2. FINDINGS AND PURPOSES.**

3 (a) FINDINGS.—Congress makes the following find-
4 ings:

5 (1) The Saint Lawrence Seaway is an impor-
6 tant transportation route linking the industrial

1 heartland of the United States with the rest of the
2 world.

3 (2) More than 20 percent of our Nation's out-
4 put is produced in the Great Lakes-Saint Lawrence
5 Seaway basin and about 15 percent of our exports
6 originates from that region.

7 (3) About 10 percent of the United States pop-
8 ulation and about $\frac{1}{4}$ of Canada's population live in
9 the Great Lakes basin and the livelihood of many of
10 these people would be improved by modernization of
11 the Seaway.

12 (4) The Seaway, as a transportation corridor, is
13 constrained by its limited physical dimensions, cur-
14 rently capable of accommodating only about 30 per-
15 cent of the world's ocean fleet.

16 (5) Costs to users of the Seaway can be reduced
17 by eliminating duplicative operations by the United
18 States and Canada.

19 (6) Although the financial markets are efficient
20 and capable of meeting the financing needs of large
21 borrowers, small public and private entities often en-
22 counter difficulties in obtaining credit on reasonable
23 terms to finance their investment projects.

24 (7) Small maritime commerce-related enter-
25 prises in the Great Lakes and Seaway region, such

1 as ports, warehouses, and terminals, have potential
2 investment projects that could benefit from an addi-
3 tional credit facility that provides innovative invest-
4 ment financing and with a special focus on the
5 Great Lakes and the Seaway.

6 (8) High-risk ventures, such as cargo liner serv-
7 ice and passenger cruise service, are beginning or
8 under consideration for the Great Lakes. Their fea-
9 sibility or viability would be improved with credit or
10 other financing assistance available only outside reg-
11 ular commercial channels.

12 (b) PURPOSES.—The purposes of this Act are as fol-
13 lows:

14 (1) To authorize establishment and operation of
15 a binational Saint Lawrence Seaway Corporation
16 that coordinates and streamlines operation of the
17 Seaway for the purposes of reducing operating costs
18 and costs to users and for making the Seaway more
19 competitive as a transportation route.

20 (2) To transfer operations and employees of the
21 Saint Lawrence Seaway Development Corporation to
22 the binational corporation.

23 (3) To establish a procedure to assist the bina-
24 tional corporation in achieving long-term financial
25 viability.

1 (4) To establish a legislative procedure for ap-
2 proving an executive agreement entered into under
3 section 4 to carry out the purposes of paragraphs
4 (1), (2), and (3).

5 (5) To authorize establishment and operation of
6 a binational Great Lakes Development Bank that
7 provides increased financing flexibility for maritime
8 commerce-related infrastructure investment on the
9 Great Lakes and the Seaway and for establishing
10 freight or passenger liner service between ports on
11 the Great Lakes and the Seaway and ports in other
12 countries.

13 (6) To establish a structure of membership for
14 the Bank, including certain financial responsibilities
15 of Bank members.

16 (7) To authorize participation by the United
17 States in the Bank and to specify limitations on
18 such participation.

19 **SEC. 3. DEFINITIONS.**

20 In this Act, the following definitions apply:

21 (1) **BANK.**—The term “Bank” means the Great
22 Lakes Development Bank to be established under
23 this Act.

24 (2) **BANK BOARD.**—The term “Bank Board”
25 means the board of directors of the Bank.

1 (3) CHAIRMAN.—The term “Chairman” means
2 the Chairman of the Corporate Board.

3 (4) COMPETITIVE SERVICE.—The term “com-
4 petitive service” has the meaning such term has
5 under section 2102 of title 5, United States Code.

6 (5) CORPORATE BOARD.—The term “Corporate
7 Board” means the board of directors of the Corpora-
8 tion.

9 (6) CORPORATION.—The term “Corporation”
10 means the Saint Lawrence Seaway Corporation to be
11 established under this Act.

12 (7) DATE OF AGREEMENT.—The term “date of
13 agreement” means the date on which the executive
14 agreement authorized by section 4 of this Act is
15 signed by the representatives of the United States
16 and Canada.

17 (8) DATE OF ESTABLISHMENT OF THE BANK.—
18 The term “date of establishment of the Bank”
19 means the date the last member of the initial Bank
20 Board is appointed.

21 (9) DATE OF ESTABLISHMENT OF THE COR-
22 PORATION.—The term “date of establishment”
23 means the date the last initial member of the Cor-
24 porate Board is appointed.

1 (10) DATE OF OPERATION.—The term “date of
2 operation” means the first January 15th following
3 the date of appointment of the initial Director Gen-
4 eral.

5 (11) DIRECTOR GENERAL.—The term “Director
6 General” means the Director General of the Cor-
7 poration.

8 (12) FIXED ASSETS.—The term “fixed assets”
9 means buildings, vessel traffic control centers, and
10 locks and major appurtenant facilities, including any
11 gatelifters, tugboats, and buoy tenders.

12 (13) GREAT LAKES.—The term “Great Lakes”
13 means Lake Ontario, Lake Erie, Lake Huron (in-
14 cluding Lake St. Clair), Lake Michigan, and Lake
15 Superior and the following connecting channels: the
16 Detroit River, the St. Clair River, and the St. Marys
17 River.

18 (14) GREAT LAKES PROVINCES.—The term
19 “Great Lakes Provinces” means the Canadian Prov-
20 inces of Ontario and Quebec.

21 (15) GREAT LAKES STATES.—The term “Great
22 Lakes States” means the States of Illinois, Indiana,
23 Michigan, Minnesota, New York, Ohio, Pennsyl-
24 vania, and Wisconsin.

1 (16) MANAGING DIRECTOR.—The term “Man-
2 aging Director” means the Managing Director of the
3 Bank.

4 (17) SECRETARY.—The term “Secretary”
5 means the Secretary of Transportation.

6 (18) SLSDC.—The term “SLSDC” means the
7 Saint Lawrence Seaway Development Corporation.

8 (19) SLSDC EMPLOYEES.—The term “SLSDC
9 employees” means all permanent SLSDC personnel
10 employed on the day before the date of operation.

11 (20) SAINT LAWRENCE SEAWAY.—The term
12 “Saint Lawrence Seaway” means the deep-draft wa-
13 terway between the port of Montreal and Lake On-
14 tario and the deep-draft waterway known as the
15 Welland Canal and includes all locks, canals, and
16 connecting and contiguous waters that are part of
17 the deep-draft waterway and all other canals and
18 works, wherever located, the management, adminis-
19 tration, and control of which are under the Saint
20 Lawrence Seaway Development Corporation or the
21 Saint Lawrence Seaway Management Corporation of
22 Canada on the day before the date of operation.

23 (21) TRANSFER.—The term “transfer”, as used
24 with respect to SLSDC employees, means the trans-

1 fer and retention of such employees by the Corpora-
2 tion.

3 **SEC. 4. EXECUTIVE AGREEMENT.**

4 (a) IN GENERAL.—The President is authorized to
5 enter into an executive agreement on behalf of the United
6 States with Canada—

7 (1) to establish and operate a binational cor-
8 poration to be known as the “Saint Lawrence Sea-
9 way Corporation” for the purposes of operating,
10 maintaining, and improving the assets of the United
11 States and Canada on the Saint Lawrence Seaway,
12 facilitating safe navigation on the Seaway, and pro-
13 moting domestic and international trade involving
14 the Great Lakes States and Great Lakes Provinces;
15 and

16 (2) to establish a binational credit facility to be
17 known as the “Great Lakes Development Bank” for
18 the purposes of providing loans and other assistance
19 and technical and management assistance to the
20 Seaway and public and private entities that are in-
21 volved in maritime commerce in the Great Lakes
22 and Seaway region and facilitating maritime com-
23 merce-related investment on the Seaway and in such
24 region.

1 The executive agreement shall include, at a minimum,
2 such terms and conditions as are necessary to ensure com-
3 pliance with this Act on a continuing basis.

4 (b) GUIDING PRINCIPLES.—In negotiating the execu-
5 tive agreement under this section, the United States shall
6 be guided by the following principles:

7 (1) Improvement of operational coordination
8 among assets of the United States and Canada on
9 the Seaway.

10 (2) Assurance of navigational safety on, and
11 operational reliability of, the Seaway.

12 (3) Establishment of clear and mutually advan-
13 tageous rules governing the combination of Seaway
14 assets and employees of the United States and Can-
15 ada.

16 (4) Protection of the rights and interests of
17 current Seaway employees of the United States and
18 Canada.

19 (5) Enhancement of the competitiveness of the
20 Seaway as a transportation route for world trade.

21 (6) Development of vessel and cargo traffic
22 through the Seaway and expansion of world trade
23 involving the Great Lakes States and Great Lakes
24 Provinces.

1 (7) Creation of new business and employment
2 opportunities in, and improvement of living stand-
3 ards for, such States and Provinces.

4 (8) Facilitation of infrastructure investment in
5 the Great Lakes and Seaway region.

6 (9) Protection of the sovereign interests of the
7 United States and Canada.

8 (10) Assurance of equity between the United
9 States and Canada with respect to their authorities
10 over, and responsibilities for, establishment and op-
11 eration of the Corporation.

12 (11) Protection of the aquatic and riparian en-
13 vironment of the Seaway and the Great Lakes.

14 (12) Assurance of equity between the United
15 States and Canada in their respective contributions
16 toward the establishment and operations of the Cor-
17 poration and the Bank.

18 (13) Assurance of equity between the United
19 States and Canada in their respective opportunities
20 of obtaining loans and other assistance from the
21 Bank.

22 (14) Improvement of the general welfare of the
23 Great Lakes States and Great Lake Provinces.

24 (c) AGREEMENT NEGOTIATION AND SUBMITTAL TO
25 PRESIDENT.—The agreement under this section shall be

1 negotiated by the Secretary of State, with the technical
2 assistance and concurrence of the Secretary, and shall be
3 submitted to the President jointly by the Secretary of
4 State and the Secretary, together with the views and rec-
5 ommendations of the Secretary of State and the Secretary.

6 (d) ANALYSIS BY SECRETARY.—The Secretary shall
7 analyze the agreement negotiated under this section and
8 the principles set forth in subsection (b) to determine if
9 the agreement is consistent with such principles and sub-
10 stantially complies with the requirements of this Act. Not
11 later than 30 days after the date of agreement, the Sec-
12 retary shall submit to the President a report on the results
13 of such analysis.

14 (e) CERTIFICATION AND APPROVAL BY PRESI-
15 DENT.—The President shall determine and certify that
16 the terms of the agreement are consistent with the prin-
17 ciples set forth in subsection (b) and substantially comply
18 with the requirements of this Act.

19 (f) CONGRESSIONAL REVIEW PROCEDURE.—

20 (1) SUBMISSION TO CONGRESS.—Before the
21 President may exchange notes with the Government
22 of Canada under subsection (g), the President shall
23 submit to each House of Congress a report
24 containing—

1 (A) a copy of the agreement negotiated
2 under this section;

3 (B) the certification of the President under
4 subsection (e); and

5 (C) the analysis of the Secretary under
6 subsection (d).

7 (2) LIMITATION ON EFFECTIVE DATE.—The
8 agreement may only take effect after—

9 (A) the date occurring 60 legislative days
10 after the date on which Congress receives the
11 agreement; or

12 (B) in any case in which Congress passes
13 a joint resolution of disapproval relating to the
14 agreement under such an expedited procedure
15 as Congress may provide and the President
16 signs a veto of such resolution, the earlier
17 date—

18 (i) on which either House of Congress
19 votes and fails to override the veto of the
20 President; or

21 (ii) occurring 30 legislative days after
22 the date on which Congress received the
23 veto and objections of the President.

24 (g) CONDITIONS FOR ENTRY INTO FORCE OF
25 AGREEMENT.—The President shall exchange notes with

1 the Government of Canada providing for the entry into
2 force of the agreement with respect to Canada at such
3 time before the appointment by the President of any mem-
4 ber to the Corporate Board as—

5 (1) the President—

6 (A) determines that Canada has imple-
7 mented the statutory changes necessary to
8 bring Canada into compliance with its obliga-
9 tions under the agreement, and

10 (B) transmits a report to the House of
11 Representatives and the Senate setting forth
12 the determination under subparagraph (A); and

13 (2) Canada exchanges notes with the United
14 States providing for the entry into force of the
15 agreement.

16 **TITLE I—SAINT LAWRENCE**
17 **SEAWAY CORPORATION**

18 **SEC. 101. FUNCTIONS OF CORPORATION.**

19 The Corporation shall be responsible for the fol-
20 lowing:

21 (1) Operating, maintaining, and improving the
22 assets of the United States and Canada on the Saint
23 Lawrence Seaway.

24 (2) Ensuring safe navigation in, and reliable
25 operation of, the Seaway.

1 (3) Providing a high quality of service to users
2 of, and visitors to, the Seaway.

3 (4) Promoting domestic and international trade
4 involving the Great Lakes States and Great Lakes
5 Provinces.

6 (5) Facilitating and supporting agencies with
7 primary responsibility for enforcing marine safety
8 and environmental protection regulations of the
9 United States, Canada, the Great Lakes States, and
10 the Great Lakes Provinces in enforcing such regula-
11 tions and any additional regulations for the protec-
12 tion of safety and the environment in the Seaway
13 that are issued by the Corporation and are con-
14 sistent with such marine safety and environmental
15 protection regulations.

16 (6) Ensuring the orderly transfer to the Cor-
17 poration of—

18 (A) responsibilities for assets of the United
19 States and Canada on the Seaway; and

20 (B) employees from the SLSDC and the
21 Saint Lawrence Seaway Authority of Canada.

22 (7) Developing a long-term plan for operating,
23 maintaining, and improving Seaway assets and for
24 financing such operation, maintenance, and improve-
25 ments.

1 **SEC. 102. BOARD OF DIRECTORS.**

2 (a) IN GENERAL.—The Corporation shall have a
3 board of directors which shall be composed of 12 members
4 as follows:

5 (1) The Secretary or, if the Secretary so des-
6 ignates, the Deputy Secretary of Transportation or
7 the Assistant Secretary of Transportation who has
8 responsibility for international affairs.

9 (2) 5 members appointed by the President, by
10 and with the advice and consent of the Senate—

11 (A) 1 of whom shall be an official of a
12 Great Lakes State;

13 (B) 1 of whom shall be an official of a po-
14 litical subdivision of a Great Lakes State; and

15 (C) 3 of whom may not be an officer or
16 employee of the United States or a State.

17 (3) 6 members appointed or otherwise des-
18 igned by the Government of Canada.

19 (b) CHAIRMAN.—The members of the Corporate
20 Board shall elect the Chairman from among such mem-
21 bers. No person may serve as Chairman for a period of
22 more than 2 years.

23 (c) RULES FOR APPOINTMENTS.—

24 (1) CITIZENSHIP AND BACKGROUND REQUIRE-
25 MENTS.—Members of the Corporate Board ap-
26 pointed under subsection (a)(2) shall be citizens of

1 the United States and shall have substantial back-
2 ground and achievement in maritime commerce or
3 corporate management and finance or both.

4 (2) CONSULTATION REQUIREMENT.—In making
5 appointments to the Corporate Board under sub-
6 section (a)(2)(C), the President shall consult with
7 representatives from the maritime community of the
8 Great Lakes States and other persons affected by
9 operation of the Seaway.

10 (3) DIVERSIFICATION OF APPOINTEES.—In
11 making appointments to the Corporate Board under
12 subsection (a)(2)(C), the President shall select per-
13 sons to serve on the Corporate Board who represent
14 a diversity of interests of the Great Lakes States.

15 (d) DUTIES.—The Corporate Board shall—

16 (1) establish an organizational structure for the
17 Corporation;

18 (2) establish management and operational poli-
19 cies of the Corporation, including policies to ensure
20 that members of the Corporate Board and officers of
21 the Corporation make decisions relating to their re-
22 sponsibilities under this Act on the basis of business
23 and financial principles and not political consider-
24 ations;

1 (3) appoint, fix the compensation of, and estab-
2 lish the authority and duties of, the Director Gen-
3 eral;

4 (4) establish an employment system for the
5 Corporation;

6 (5) adopt, in an open process that affords an
7 opportunity for participation by interested persons
8 and governmental entities, such rules and regula-
9 tions as may be necessary or appropriate to conduct
10 business of the Corporation;

11 (6) ensure that the functions of the Corporation
12 described in section 101 are carried out;

13 (7) develop and ensure compliance with a code
14 of ethics for the Corporation and its officers and em-
15 ployees;

16 (8) prepare and transmit to the President, Con-
17 gress, and the Government of Canada an annual
18 business-type budget program that—

19 (A) lays out the Corporation's plan of op-
20 eration;

21 (B) contains estimates of the financial con-
22 dition and operations of the Corporation for the
23 current and following fiscal years and the finan-
24 cial condition and results of such operations in
25 the preceding fiscal year;

1 (C) contains statements of the financial
2 condition, income and expense, and sources and
3 use of money, an analysis of surplus or deficit,
4 and additional statements and information to
5 make known the financial condition and oper-
6 ations of the Corporation, including estimates
7 of operations by major activities, administrative
8 expenses, borrowings, and expenditure needed
9 to make capital improvements; and

10 (D) provides for emergencies and other
11 contingencies so that the Corporation may carry
12 out its responsibilities;

13 (9) prepare and transmit to the President, Con-
14 gress, and the Government of Canada an annual
15 management report which includes—

16 (A) a statement of financial position;

17 (B) a statement of operations relating to
18 the long-term plan prepared under paragraph
19 (10);

20 (C) a statement of cash flows;

21 (D) a reconciliation to the budget program
22 of the Corporation, if applicable;

23 (E) a statement on the internal accounting
24 and administrative control systems being imple-
25 mented by the Director General;

1 (F) the report resulting from the annual
2 audit of the financial statements of the Cor-
3 poration conducted by independent public ac-
4 countants under section 114(a); and

5 (G) any other comments and information
6 necessary to inform the President, Congress,
7 and the Government of Canada about the oper-
8 ations and financial condition of the Corpora-
9 tion;

10 (10) prepare and, not later than the last day of
11 the 5-year period beginning on the date of establish-
12 ment of the Corporation, transmit to the President,
13 Congress, and the Government of Canada a long-
14 term plan for operating and improving the assets on
15 the Saint Lawrence Seaway and for financing such
16 operation, maintenance, and improvements;

17 (11) prepare and, not later than the last day of
18 such 5-year period, transmit to the President, Con-
19 gress, and the Government of Canada a report on all
20 actions by agencies of the United States Government
21 and the Government of Canada which affect the safe
22 and cost-effective operation of vessels through the
23 Seaway, including recommendations for assuming
24 operation of activities of such agencies by the Cor-
25 poration; and

1 (12) conduct, or contract with an outside pro-
2 vider to conduct, a study to determine the feasibility
3 of various options of improving the locks and other
4 navigational facilities on the Seaway.

5 (e) TERM OF OFFICE.—

6 (1) IN GENERAL.—Except as provided in para-
7 graphs (2) and (3), each member appointed to the
8 Corporate Board by the President or the Govern-
9 ment of Canada shall serve for a term of 5 years.
10 No person may serve on the Corporate Board for a
11 period of more than 10 years.

12 (2) TERMS OF INITIAL APPOINTEES.—As des-
13 ignated by the President at the time of appointment,
14 of the members initially appointed under subsection
15 (a)(2)—

16 (A) 1 shall be appointed for a term of 1
17 year;

18 (B) 1 shall be appointed for a term of 2
19 years;

20 (C) 1 shall be appointed for a term of 3
21 years;

22 (D) 1 shall be appointed for a term of 4
23 years; and

24 (E) 1 shall be appointed for a term of 5
25 years.

1 (3) REMOVAL FOR CAUSE.—The President may
2 remove from office for cause, including failure to at-
3 tend 3 consecutive meetings of the Corporate Board
4 scheduled by the Chairman, a person appointed by
5 the President to serve as a member of the Corporate
6 Board.

7 (4) VACANCIES.—Any member appointed to fill
8 a vacancy occurring before the expiration of the
9 term for which the member’s predecessor was ap-
10 pointed shall be appointed only for the remainder of
11 that term. A member may serve after the expiration
12 of that member’s term until a successor has taken
13 office. A vacancy on the Corporate Board shall be
14 filled in the manner in which the original appoint-
15 ment was made.

16 (f) COMPENSATION AND EXPENSES.—

17 (1) COMPENSATION.—A member of the Cor-
18 porate Board appointed under subsection (a)(2)(C)
19 shall receive compensation at a rate equivalent to 25
20 percent of the rate of pay in effect for level III of
21 the Executive Schedule under subchapter II of chap-
22 ter 53 of title 5, United States Code; except that, if
23 such member is elected Chairman, such member
24 while serving as Chairman may receive such addi-
25 tional compensation as the Corporate Board deter-

1 mines appropriate. The Secretary or the designee of
2 the Secretary and members of the Corporate Board
3 appointed under subsections (a)(2)(A) and (a)(2)(B)
4 shall serve without pay.

5 (2) TRAVEL AND SUBSISTENCE EXPENSES.—
6 Each member of the Corporate Board appointed by
7 the President and the Secretary or the designee of
8 the Secretary shall receive reimbursement for actual
9 travel and subsistence expenses incurred in the per-
10 formance of duties vested in the Corporate Board.

11 (g) MEETINGS.—

12 (1) FREQUENCY.—The Corporate Board shall
13 meet at the call of the Chairman or at the request
14 of at least 5 members of the Corporate Board, but
15 not less than once per calendar year.

16 (2) QUORUM.—A quorum for any meeting of
17 the Corporate Board shall be at least 7 members, at
18 least 3 of whom shall be members referred to in sub-
19 sections (a)(1) and (a)(2).

20 (3) VOTING.—No action of the Corporate
21 Board shall be effective unless taken at a meeting at
22 which a quorum of members is present and a major-
23 ity of those members vote in favor of the action and
24 at which a majority of the members referred to in

1 subsections (a)(1) and (a)(2) vote in favor of the ac-
2 tion.

3 (4) TRANSMITTAL OF MINUTES TO PRESIDENT
4 AND GOVERNMENT OF CANADA.—The minutes of
5 each meeting of the Corporate Board shall be trans-
6 mitted to the President and the Government of Can-
7 ada not later than 3 days (except Saturdays, Sun-
8 days, and observed official holidays) after the date
9 of such meeting.

10 (h) VETO BY PRESIDENT.—Actions taken at a meet-
11 ing of the Corporate Board shall have no effect if, during
12 a period of 10 days (except Saturdays, Sundays, and ob-
13 served official holidays) after the minutes are transmitted
14 under subsection (g)(4), the President disapproves the
15 meeting's minutes or any part thereof.

16 **SEC. 103. DIRECTOR GENERAL.**

17 (a) IN GENERAL.—The Corporation shall have a Di-
18 rector General who shall serve as chief executive officer
19 of the Corporation. The Director General shall be ap-
20 pointed by the Corporate Board for a term of 5 years.

21 (b) PERFORMANCE-BASED CONTRACT.—A person
22 appointed as Director General shall enter into a perform-
23 ance-based contract with the Corporate Board. The con-
24 tract shall provide for assessment of performance in terms
25 of each of the following: Safety, reliability, environmental

1 protection, trade and traffic development, intergovern-
2 mental cooperation, and management and financial ac-
3 countability. The specific standards for such assessments
4 shall be established by the Corporate Board. The contract
5 shall incorporate measurable goals as agreed to by the Di-
6 rector General and the Corporate Board.

7 (c) ANNUAL PERFORMANCE REVIEW.—The Cor-
8 porate Board shall conduct an annual review of the per-
9 formance of the Director General. On the basis of the re-
10 sults of the review, the Corporate Board may take such
11 action as the Corporate Board determines appropriate to
12 award additional compensation as an incentive or take cor-
13 rective action in accordance with the terms of the contract
14 entered into under subsection (b) with the Director Gen-
15 eral.

16 **SEC. 104. EMPLOYMENT SYSTEM AND PRACTICES.**

17 (a) EMPLOYMENT SYSTEM.—The Corporate Board
18 shall establish an employment system for the Corporation.
19 The Corporation employment system shall—

20 (1) be established in accordance with the execu-
21 tive agreement entered into under section 4 and the
22 provisions of this Act;

23 (2) provide for the consideration of the merit of
24 each employee of the Corporation or candidate for
25 employment by the Corporation and the qualifica-

1 tions and fitness of the employee to hold the position
2 concerned;

3 (3) prohibit discrimination against any person
4 because of race, color, national origin, nationality,
5 religion, sex, age, or disability;

6 (4) be designed to maximize the productivity of
7 officers and employees of the Corporation; and

8 (5) in the case of SLSDC employees, provide
9 for the appropriate transfer and retention of those
10 employees between positions in the competitive serv-
11 ice and positions under the employment system of
12 the Corporation as provided in section 105.

13 (b) COLLECTIVE BARGAINING RIGHTS.—

14 (1) IN GENERAL.—Subject to sections
15 105(b)(1) and 105(b)(8), employees of the Corpora-
16 tion shall have—

17 (A) collective bargaining rights;

18 (B) the right to select their collective bar-
19 gaining representatives; and

20 (C) the right to negotiate with the Cor-
21 poration as to the laws that apply to such col-
22 lective bargaining rights.

23 (2) ACCEPTANCE OF REPRESENTATIVE.—The
24 Corporation shall accept the collective bargaining

1 representative or representatives selected by the em-
2 ployees of the Corporation under paragraph (1)(B).

3 (c) APPOINTMENT, COMPENSATION, AND DUTIES.—

4 In accordance with the policies established by the Cor-
5 porate Board under section 102(d) and subject to sections
6 105(b)(1) and 105(b)(3), the Director General may ap-
7 point, fix the compensation of, and define the authority
8 and duties of, officers, employees, and agents of the Cor-
9 poration necessary for the management, operation, main-
10 tenance, and improvement of the Seaway and related fa-
11 cilities, equipment, and appurtenances.

12 (d) BASIC PAY.—Subject to sections 105(b)(1) and
13 105(b)(3), the Director General shall establish, and from
14 time to time may revise, rates of basic pay for positions
15 and employees of the Corporation.

16 (e) BENEFITS.—Subject to sections 105(b)(1),
17 105(b)(5), and 105(b)(6), the Corporation shall offer its
18 officers and employees a package of benefits which in-
19 cludes, at a minimum, sick, annual, and holiday leaves,
20 health benefits, life insurance, retirement benefits, and a
21 voluntary retirement savings program. Any SLSDC em-
22 ployee who transfers to the Corporation shall continue to
23 receive a package of benefits, determined on the basis of
24 the employee's length of service, rate of basic pay, and

1 other relevant factors, not less than that to which the em-
2 ployee is entitled immediately prior to the transfer.

3 (f) PERFORMANCE REVIEW.—The Director General
4 shall establish the standards of, and procedures for, the
5 review of job performance of an employee of the Corpora-
6 tion.

7 (g) JOB LOCATION ASSIGNMENT.—

8 (1) IN GENERAL.—The Director General shall
9 assign officers and employees of the Corporation to
10 facilities and installations in a manner that pro-
11 motes the maximum productivity of the employees
12 and operational efficiency of the Corporation.

13 (2) IMMIGRATION AND LABOR DOCUMENTA-
14 TION.—The Corporation shall work with the Min-
15 istry of Citizenship and Immigration of the Govern-
16 ment of Canada to secure, as expeditiously as pos-
17 sible, the necessary permits and documentation to
18 allow employees of the Corporation who are citizens
19 of the United States or aliens lawfully admitted for
20 permanent residence in the United States to work at
21 facilities in Canada.

22 **SEC. 105. SLSDC EMPLOYEES.**

23 (a) EMPLOYEE PROTECTION.—Not later than the
24 date of operation, the President shall ensure that the Cor-
25 porate Board has established arrangements to protect the

1 employment interests of SLSDC employees who transfer
2 to the Corporation during the 3-year period beginning on
3 such date. These arrangements shall include provisions—

4 (1) which ensure that the Corporation will
5 adopt labor agreements in accordance with the pro-
6 visions of subsection (b)(1);

7 (2) for the transfer and retention of all SLSDC
8 employees who agree to transfer to the Corporation
9 in their same or comparable positions for the 3-year
10 period beginning on the date of operation except in
11 cases of reassignment, separation for cause, resigna-
12 tion, or retirement;

13 (3) for the payment by the Corporation of basic
14 pay to SLSDC employees who transfer to the Cor-
15 poration (except in cases of separation for cause,
16 resignation, or retirement) for 3 years beginning on
17 the date of operation as provided in subsection
18 (b)(3); and

19 (4) for credit during the 3-year period begin-
20 ning on the date of operation for accrued annual
21 and sick leave and seniority rights which have been
22 accrued during the period of Federal employment by
23 SLSDC employees who transfer to the Corporation.

24 (b) TRANSFER TO CORPORATION.—

25 (1) LABOR AGREEMENTS.—

1 (A) ADOPTION.—The Corporation shall
2 adopt all labor agreements involving SLSDC
3 employees that are in effect on the day before
4 the date of operation. Such agreements shall re-
5 main in effect for the 3-year period beginning
6 on such date unless the agreement provides for
7 a shorter duration or the parties agree to the
8 contrary before the expiration of such 3-year
9 period. Such agreements shall be renegotiated
10 during the 3-year period unless the parties
11 agree otherwise.

12 (B) CONTINUATION.—The arrangements
13 made pursuant to this section shall assure that
14 (i) transferred SLSDC employees retain all col-
15 lective bargaining rights that they have on the
16 day before the date of operation, and (ii) the
17 exclusive representative for such employees is
18 recognized by the Corporation. In this para-
19 graph, the term “exclusive representative” has
20 the meaning such term has under section 7104
21 of title 5, United States Code.

22 (C) ADDITIONAL RIGHTS.—Notwith-
23 standing any other provision of law, any
24 SLSDC employee who transfers to the Corpora-
25 tion shall have the right to negotiate through

1 the exclusive representative for salary and bene-
2 fits in addition to those provided for under sec-
3 tion 104 if, on the day before the date of oper-
4 ation, such employee is—

5 (i) covered by a labor agreement; and

6 (ii) employed by the United States
7 and paid under the General Schedule
8 under section 5332 of title 5, United
9 States Code.

10 (2) RIGHTS OF TERMINATED SLSDC EMPLOY-
11 EES.—Any transferred SLSDC employee whose em-
12 ployment with the Corporation is terminated during
13 the 3-year period beginning on the date of operation
14 shall be entitled to all rights and benefits to be pro-
15 vided by the Corporation that are similar to those
16 such employee would have had under Federal law if
17 termination had occurred immediately before such
18 date.

19 (3) BASIC PAY.—Any SLSDC employee who
20 transfers to the Corporation shall continue to receive
21 a rate of basic pay not less than that to which the
22 employee was entitled immediately prior to the
23 transfer unless the Corporation places the employee
24 in a position within the Corporation which is of a
25 lower grade. Subject to paragraph (1), during the 3-

1 year period beginning on the date of operation, the
2 basic pay of such employees shall be adjusted for
3 changes in the Consumer Price Index of All Urban
4 Consumers published by the Department of Labor.
5 After such period, the basic pay of such employees
6 shall be consistent with the pay structure established
7 by the Corporation through collective bargaining.

8 (4) ANNUAL, SICK, AND HOLIDAY LEAVES.—

9 Any SLSDC employee who transfers to the Corpora-
10 tion shall not be entitled to lump-sum payment for
11 unused annual leave under section 5551 of title 5,
12 United States Code, but shall be credited by the
13 Corporation with the unused annual leave balance on
14 the date of operation, along with any unused sick
15 leave balance on such date. Subject to paragraph
16 (1), during the 3-year period beginning on the date
17 of operation, such employees shall be entitled to an-
18 nual leave accruing at the rate specified in section
19 6303 of such title; limitation on annual leave accu-
20 mulation specified in section 6304 of such title; sick
21 leave accruing at the rate (and limitation on accu-
22 mulation of such leave) specified in section 6307 of
23 such title; and observed official holidays specified in
24 section 6103 of such title. After such period, annual,
25 sick, and holiday leaves and voluntary retirement

1 savings plan benefits shall be specified in the bene-
2 fits packages established under section 104(e).

3 (5) BENEFITS.—Any SLSDC employee who
4 transfers to the Corporation and who, on the day be-
5 fore the date of operation, is eligible for health bene-
6 fits provided under section 8905 of title 5, United
7 States Code, or life insurance provided under section
8 8702 of such title may, so long as continually em-
9 ployed by the Corporation without a break in serv-
10 ice, continue to be eligible to participate in such
11 health benefits or insurance program. Employment
12 by the Corporation without a break in continuity of
13 service shall be considered employment by the
14 United States for purposes of such sections; except
15 that if the employee elects, during the 3-year period
16 beginning on the date of operation, to participate in
17 the health benefits or life insurance program estab-
18 lished by the Corporation under section 104(e), the
19 employee may participate in such program in lieu
20 of continuing to be treated as an employee of the
21 United States for purposes of section 8905 or 8702
22 of such title, as appropriate. If the employee con-
23 tinues to be so treated, the Corporation shall be the
24 employing agency for purposes of section 8905 or
25 8702 of such title, as appropriate, and shall con-

1 tribute to the Employees Health Benefits Fund pur-
2 suant to section 8909 of such title or the Employees'
3 Life Insurance Fund pursuant to section 8714 of
4 such title, as appropriate, such sums as are required
5 by such sections.

6 (6) RETIREMENT.—Any SLSDC employee who
7 transfers to the Corporation and who, on the day be-
8 fore the date of operation, is subject to subchapter
9 III of chapter 83 of title 5, United States Code, or
10 chapter 84 of such title may, so long as continually
11 employed by the Corporation without a break in
12 service, continue to be subject to such subchapter or
13 chapter, as the case may be. Employment by the
14 Corporation without a break in continuity of service
15 shall be considered to be employment by the United
16 States for purposes of such subchapter and chapter;
17 except that if the employee elects, during the 3-year
18 period beginning on the date of operation, to partici-
19 pate in the retirement program established by the
20 Corporation under section 104(e), the employee may
21 participate in such program in lieu of continuing to
22 be treated as an employee of the United States for
23 purposes of such subchapter or chapter. If the em-
24 ployee continues to be so treated, the Corporation
25 shall be the employing agency for purposes of such

1 subchapter and chapter and shall contribute to the
2 Civil Service Retirement and Disability Fund or the
3 Thrift Savings Fund, as appropriate, such sums as
4 are required by such subchapter and chapter.

5 (7) ACCESS TO RECORDS.—The Corporation
6 shall allow representatives of the Secretary adequate
7 access to SLSDC employees who transfer to the
8 Corporation and their employment records when
9 needed for the performance of functions related to
10 the period before the date of operation. The Sec-
11 retary shall provide the Corporation access to em-
12 ployment records of transferring SLSDC employees
13 for appropriate purposes.

14 (8) APPLICABILITY OF UNITED STATES
15 LAWS.—

16 (A) IN GENERAL.—During the 3-year pe-
17 riod beginning on the date of operation, any
18 labor dispute or grievance involving a trans-
19 ferred SLSDC employee or a replacement for
20 such an employee shall be resolved in accord-
21 ance with laws of the United States.

22 (B) JURISDICTION OF CIVIL ACTIONS.—

23 (i) JURISDICTION.—The United
24 States district courts shall have original
25 and exclusive jurisdiction of any civil ac-

1 tion brought in the United States by or
2 against the Corporation involving a labor
3 dispute or grievance described in subpara-
4 graph (A).

5 (ii) VENUE.—For purposes of section
6 1391(b) of title 28, United States Code,
7 the Corporation shall be deemed to be a
8 resident of the judicial district in which the
9 principal office of the Corporation in the
10 United States, or its agent appointed for
11 the purpose of accepting service or notice
12 of service, is located.

13 (c) SEPARATED SLSDC EMPLOYEES.—Any SLSDC
14 employee who does not transfer to the Corporation and
15 who does not otherwise remain a United States employee
16 shall be entitled to all rights and benefits available under
17 Federal law for separated United States employees, except
18 that severance pay shall not be payable to any SLSDC
19 employee who does not accept an offer of employment
20 from the Corporation of work substantially similar to that
21 performed for the United States.

22 (d) REINSTATEMENT.—Notwithstanding the service
23 requirement for career tenure established by section
24 315.401(b) of title 5, Code of Federal Regulations (as in

1 effect on June 1, 1999), there shall be no time limit on
2 the reinstatement eligibility of—

3 (1) any separated SLSDC employee whose em-
4 ployment is terminated as a result of the termi-
5 nation of the SLSDC and who does not transfer to
6 the Corporation; and

7 (2) any SLSDC employee who transfers to the
8 Corporation.

9 **SEC. 106. CONFLICTS OF INTEREST.**

10 (a) EXPRESS CONDITION.—In every contract or
11 agreement to be made, entered into, or accepted by or on
12 behalf of the Corporation, there shall be inserted an ex-
13 press condition that no member of the Corporate Board
14 and no officer or employee of the Corporation shall derive
15 any personal financial or other benefit therefrom.

16 (b) PROHIBITION.—No part of the income or assets
17 of the Corporation shall inure to the benefit of any mem-
18 ber of the Corporate Board or any officer or employee of
19 the Corporation, except as reasonable compensation for
20 services or reimbursement for expenses.

21 **SEC. 107. ACQUISITION OF PROPERTY BY SECRETARY.**

22 Upon request of the Corporation, the Secretary—

23 (1) may acquire, on behalf of the Corporation,
24 by purchase, lease, condemnation, or donation such
25 real and personal property and any interest therein

1 if the Secretary considers such acquisition necessary
2 for the Corporation to conduct its business; and

3 (2) shall transfer such property or interest to
4 the Corporation if the Corporation pays the costs of
5 acquiring such property or interest, including any
6 reasonable transaction cost associated with such ac-
7 quisition.

8 **SEC. 108. CORPORATE POWERS.**

9 (a) IN GENERAL.—For the purpose of carrying out
10 its functions under this Act, the Corporation shall have
11 the following powers:

12 (1) To have succession in its corporate name.

13 (2) To adopt and use a corporate seal, which
14 shall be judicially noticed.

15 (3) To sue and be sued in its corporate name
16 in the United States to the same extent as the
17 United States Government and in Canada to the
18 same extent as the Government of Canada.

19 (4) To indemnify members of the Corporate
20 Board and officers, employees, and agents of the
21 Corporation for liabilities and expenses incurred
22 within the scope of their employment by the Cor-
23 poration.

24 (5) To adopt, amend, and repeal bylaws, rules,
25 and regulations which shall—

1 (A) govern the manner in which its busi-
2 ness will be conducted and the powers vested in
3 it will be exercised; and

4 (B) be made after notice and opportunity
5 for participation by interested persons and gov-
6 ernmental entities.

7 (6) To make and carry out such contracts or
8 agreements as are necessary or advisable in the con-
9 duct of its business.

10 (7) To issue bonds from time to time in its dis-
11 cretion for public purposes, including the purposes
12 of paying all or any part of the cost of Saint Law-
13 rence Seaway improvements, construction, and reha-
14 bilitation, and the acquisition of real and personal
15 property, including operating equipment for the Sea-
16 way. Such bonds may not constitute a debt of the
17 United States, Canada, or any of the Great Lakes
18 States or Great Lakes Provinces. The payment of
19 principal of, and interest on, such bonds may not be
20 guaranteed by the United States, Canada, or any of
21 the Great Lakes States or Great Lakes Provinces.
22 Such bonds may be secured by the revenues of the
23 Corporation generally or exclusively from the income
24 and revenues of designated projects whether or not

1 they are financed in whole or part from the proceeds
2 of such bonds.

3 (8) To acquire, by purchase, lease, or donation,
4 such real and personal property and any interest
5 therein, and to sell, lease, or otherwise dispose of
6 such real and personal property, as the Corporate
7 Board considers necessary for the conduct of its
8 business.

9 (9) To use, when the Corporate Board deter-
10 mines that it is practicable, efficient, and cost-effec-
11 tive to do so, with the consent of the United States,
12 Canada, and the agency or government concerned,
13 and on a reimbursable basis, services, records, facili-
14 ties, or personnel of any Federal, State, Provincial,
15 or local government agency or instrumentality to
16 perform functions on behalf of the Corporation.

17 (10) To determine the character of, and the ne-
18 cessity for, its obligations and expenditures, and the
19 manner in which they shall be incurred, allowed, and
20 paid to carry out the objectives of this Act and the
21 agreement entered into under section 4.

22 (11) To retain and use all revenues from tolls
23 and fees for purposes of financing operation and
24 maintenance of, and infrastructure improvements to,
25 the Seaway.

1 (12) To provide services and facilities necessary
2 for the operation and maintenance of the Seaway,
3 including providing, at reasonable prices, services to
4 vessels using the Seaway and to visitors to the Sea-
5 way and to retain all revenues derived from such
6 services and facilities.

7 (13) To provide, through contract or self-insur-
8 ance, for liability insurance and insurance against
9 loss incurred in connection with property, assets,
10 and operations of the Corporation.

11 (14) To invest funds not needed in its oper-
12 ations in such obligations as it shall determine to be
13 prudent and appropriate.

14 (15) To invest funds held by it for pension or
15 similar purposes in any appropriate marketable se-
16 curities.

17 (16) To enter into interagency agreements with
18 agencies of the United States, Canada, the Great
19 Lakes States, and the Great Lakes Provinces for the
20 purposes of coordinating joint operations in the Sea-
21 way, facilitating movement of vessels through the
22 Seaway, and facilitating and supporting enforcement
23 of safety and environmental regulations issued by
24 such agencies.

1 (17) To accept such amounts as may be trans-
2 ferred to the Corporation under section 9505(c)(1)
3 of the Internal Revenue Code of 1986 (relating to
4 expenditures from the Harbor Maintenance Trust
5 Fund), except that such amounts shall be available
6 only for the purpose of operating and maintaining
7 those works which the Corporation is obligated to
8 operate and maintain under section 101.

9 (b) AVAILABILITY OF AMOUNTS.—Amounts credited
10 under subsection (a)(17) shall be available to pay any obli-
11 gation or expense of the Corporation under this Act, ex-
12 cept as specifically provided in subsection (a).

13 (c) EXTENSION OF TRUST FUND PURPOSES.—The
14 purposes for which amounts may be paid from the Harbor
15 Maintenance Trust Fund shall include the purpose re-
16 ferred to in subsection (a)(17).

17 **SEC. 109. OWNERSHIP OF ASSETS.**

18 The executive agreement entered into under section
19 4 shall include, at a minimum, the following terms and
20 conditions concerning the ownership of assets of the
21 United States and Canada on the Saint Lawrence Seaway
22 on and after the date of operation:

23 (1) Title to any fixed asset shall remain with
24 the Government that holds title to the asset on the

1 day before such date, unless a transfer to the Cor-
2 poration is specifically authorized by law.

3 (2) Title to any other asset held by the Govern-
4 ment on the day before such date shall be trans-
5 ferred to the Corporation on such date.

6 (3) Title to any asset acquired, or any improve-
7 ment made to any fixed asset described in paragraph
8 (1) that is financed from sources other than the
9 United States or Canada, after such date shall be
10 vested in the Corporation.

11 **SEC. 110. TRANSFER OF RIGHTS, LIABILITIES, AND OBLIGA-**
12 **TIONS.**

13 (a) IN GENERAL.—Except as specified in subsection
14 (b), the Corporation shall assume all rights, liabilities, and
15 obligations (tangible and incorporeal, present and execu-
16 tory) of the SLSDC on the date of operation, including
17 leases, permits, licenses, contracts, agreements, claims,
18 tariffs, accounts receivable, accounts payable, and litiga-
19 tion relating to such rights and obligations, regardless
20 whether judgment has been entered, damages awarded, or
21 appeal taken.

22 (b) EXCEPTIONS.—The procedure for disputes reso-
23 lution contained in any contract entered into on behalf of
24 the United States before the date of operation shall con-
25 tinue to govern the performance of the contract unless

1 otherwise agreed to by the parties to the contract. Claims
2 for monetary damages founded in tort, by or against the
3 United States as the owner and operator of the Saint Lawrence
4 Seaway, arising before the date of operation shall
5 be adjudicated as if the agreement had not been entered
6 into.

7 (c) PAYMENTS INTO EMPLOYEES' COMPENSATION
8 FUND.—The Corporation shall remain responsible for re-
9 imbursing the Employees' Compensation Fund, pursuant
10 to section 8147 of title 5, United States Code, for com-
11 pensation paid or payable after the date of operation in
12 accordance with chapter 81 of such title with regard to
13 any injury, disability, or death due to events arising before
14 such date, whether or not a claim has been filed or is final
15 on such date.

16 (d) RETIREMENT OBLIGATIONS.—

17 (1) DISCONTINUED SERVICE.—Not later than 1
18 year after the date of operation, the Corporation
19 shall pay to the Treasury of the United States, to
20 be deposited to the credit of the Civil Service Retirement
21 and Disability Fund, an amount determined by
22 the Office of Personnel Management to represent
23 the actual added costs incurred by the Fund due to
24 discontinued service retirement under section
25 8336(d)(1) of title 5, United States Code, of SLSDC

1 employees who elect not to transfer to the Corpora-
2 tion.

3 (2) UNFUNDED LIABILITY.—

4 (A) PAYMENT TO TREASURY.—Not later
5 than 1 year after the date of operation, the
6 Corporation shall pay to the Treasury of the
7 United States, to be deposited to the credit of
8 the Civil Service Retirement and Disability
9 Fund, an amount determined by the Office of
10 Personnel Management to represent the present
11 value of the difference between—

12 (i) the future cost of benefits payable
13 from the Fund and due the employees cov-
14 ered by section 105(b)(6) that are attrib-
15 utable to the period of employment fol-
16 lowing the date of operation; and

17 (ii) the contributions made by the em-
18 ployees and the Corporation under section
19 105(b)(6).

20 (B) CONSIDERATION OF INTEREST IN DE-
21 TERMINING AMOUNT DUE.—In determining the
22 amount due under subparagraph (A), the Office
23 of Personnel Management shall take into con-
24 sideration the actual interest such amount can

1 be expected to earn when invested in the Treas-
2 ury of the United States.

3 **SEC. 111. CONTINUATION OF REGULATIONS AND AGREE-**
4 **MENT.**

5 (a) **REGULATIONS.**—All regulations of the SLSDC
6 shall become regulations of the Corporation on the date
7 of operation and shall remain in effect until modified or
8 revoked by the Corporate Board in accordance with proce-
9 dures of the Corporate Board.

10 (b) **AGREEMENT.**—Any agreement between the
11 SLSDC and any other Federal agency in effect on the
12 date of operation shall be treated as an agreement between
13 the Corporation and such Federal agency and shall remain
14 in effect until modified or revoked under the terms of the
15 agreement.

16 **SEC. 112. TRANSFER OF UNEXPENDED BALANCES OF AP-**
17 **PROPRIATIONS.**

18 On the date of operation, all unexpended balances of
19 appropriations, authorizations, allocations, and other
20 funds employed, held, used, arising from, available to, or
21 to be made available in connection with any of the func-
22 tions of the SLSDC are transferred to the Corporation,
23 except that no such unexpended balances transferred shall
24 be used for purposes other than those for which the appro-
25 priation was originally made.

1 **SEC. 113. AUDITS AND REPORTS.**

2 (a) ACCOUNTING AND AUDIT.—The books of account
3 of the Corporation shall be maintained in accordance with
4 generally accepted accounting principles and shall be sub-
5 ject to an annual audit by independent public accountants
6 of internationally recognized standing.

7 (b) REPORTS.—The Director General shall submit to
8 the President and the Government of Canada, on or before
9 the 90th day following the last day of each fiscal year,
10 a complete and detailed report with respect to the pre-
11 ceding fiscal year, setting forth—

12 (1) a summary of the Corporation's operations
13 for such preceding fiscal year; and

14 (2) the Corporation's financial statements and
15 the opinion with respect thereto prepared by the
16 independent public accountants reviewing such state-
17 ments and a copy of any report made on an audit
18 conducted under subsection (a).

19 (c) BOARD OF REVIEW.—

20 (1) ESTABLISHMENT.—The Corporation shall
21 have a board of review which shall be composed of
22 6 members. Three members of the board of review
23 shall be appointed by the President from a list of
24 candidates submitted to the President by the Comp-
25 troller General of the United States and 3 members
26 shall be appointed by the Government of Canada.

1 (2) ANNUAL AUDIT.—The board of review shall
2 review the annual audit conducted under subsection
3 (a) and shall transmit to the President, Congress,
4 and the Government of Canada a report of its find-
5 ings with such recommendations as the board of re-
6 view considers appropriate.

7 **SEC. 114. REPEAL OF SAINT LAWRENCE SEAWAY ACT.**

8 Effective on the date of operation, sections 1 through
9 13 of the Act of May 13, 1954, commonly referred to as
10 the Saint Lawrence Seaway Act (33 U.S.C. 981–990) are
11 repealed.

12 **SEC. 115. AUTHORIZATION OF APPROPRIATIONS.**

13 (a) TRANSITIONAL.—There is authorized to be appro-
14 priated \$200,000 to the Secretary for transfer to the Cor-
15 poration for the United States share of the cost of estab-
16 lishment of the Corporation before the date of operation.
17 Such funds shall remain available until expended.

18 (b) FIRST 10 FISCAL YEARS.—There is authorized
19 to be appropriated to the Secretary for transfer to the
20 Corporation to carry out its functions a sum that is the
21 equitable contribution of the United States toward estab-
22 lishment and operation of the Corporation for each of the
23 first 10 fiscal years beginning after the date of the first
24 meeting of the Corporate Board under this Act. Such
25 funds shall remain available until expended.

1 **TITLE II—GREAT LAKES**
2 **DEVELOPMENT BANK**

3 **SEC. 201. ESTABLISHMENT AND STATUS OF BANK.**

4 (a) **ESTABLISHMENT.**—Pursuant to the executive
5 agreements entered into under section 4, the President
6 shall facilitate the establishment of the Great Lakes De-
7 velopment Bank.

8 (b) **CHARTER.**—Effective on the date of establish-
9 ment of the Bank, Congress of the United States charters
10 the Bank. Congress reserves the right to revise, amend,
11 or modify the charter.

12 (c) **STATUS.**—The Bank shall not be an agency or
13 instrumentality of the United States.

14 **SEC. 202. FUNCTIONS OF BANK.**

15 The Bank shall be responsible for providing, on the
16 basis of business and financial principles and taking into
17 consideration equity between Canada and the United
18 States, loans and other assistance and technical and man-
19 agement assistance in accordance with section 206 to pub-
20 lic and private entities that are involved in maritime trans-
21 portation in the Great Lakes States and Great Lakes
22 Provinces and shall give priority, in providing such loans
23 and assistance, to the Corporation for making infrastruc-
24 ture improvements to the Saint Lawrence Seaway. Such
25 assistance may be for 1 or more of the following purposes:

1 (1) Providing increased financing flexibility for
2 maritime commerce-related infrastructure invest-
3 ment on the Great Lakes and the Seaway.

4 (2) Increasing the number of financially feasible
5 projects that are eligible for assistance under section
6 206.

7 (3) Expediting the commencement and comple-
8 tion of eligible projects.

9 (4) Establishing service by persons holding
10 themselves out to the general public to provide
11 transportation by water of passengers or property
12 between ports in the Great Lakes States or Great
13 Lakes Provinces and ports in other countries.

14 (5) Increasing maritime commerce-related in-
15 frastructure investment by the Great Lakes States,
16 Great Lakes Provinces, and political subdivisions of
17 such States or Provinces.

18 (6) Any other purpose that would result in—

19 (A) modernization of maritime facilities on
20 the Great Lakes and the Seaway;

21 (B) improvement of the competitiveness of
22 the Great Lakes-Saint Lawrence Seaway sys-
23 tem as a transportation route for world trade;
24 and

1 (C) increasing, or increasing diversification
2 of, vessel and cargo traffic through the Seaway
3 and to and from the Great Lakes.

4 **SEC. 203. OPERATIONAL PRINCIPLES.**

5 The Bank shall conduct its operations in accordance
6 with the following principles:

7 (1) The Bank may not provide any financial as-
8 sistance for which in the opinion of the Bank Board
9 sufficient capital could be obtained on reasonable
10 terms from private markets.

11 (2) The Bank may not impose conditions that
12 the proceeds of any assistance it provides will be
13 spent within the jurisdictional boundaries of a par-
14 ticular country, State, province, or locality.

15 (3) The Bank may not assume the management
16 responsibility for any project for which it provides
17 assistance, except in the process of liquidating prop-
18 erties acquired as collateral for loans and other as-
19 sistance.

20 (4) The Bank may provide assistance only on
21 terms and conditions that the Bank Board considers
22 appropriate, taking into account the requirements of
23 the project, the risks being assumed by the Bank,
24 and the terms and conditions normally obtained by

1 private persons or organizations for providing simi-
2 lar assistance.

3 (5) For the purpose of obtaining additional
4 funds to provide financial assistance under this title,
5 the Bank may sell assets it acquires in the course
6 of providing assistance under this title whenever the
7 Bank determines it can do so on appropriate and
8 satisfactory terms.

9 (6) The Bank shall diversify its investment
10 portfolio.

11 **SEC. 204. BOARD OF DIRECTORS.**

12 (a) IN GENERAL.—The Bank shall be governed by
13 a board of directors. Except as provided in subsection (b)
14 with respect to the initial Bank Board, members of the
15 Bank Board shall be elected by members of the Bank in
16 accordance with the bylaws of the Bank.

17 (b) INITIAL BOARD.—

18 (1) SIZE AND MEMBERSHIP.—The initial Bank
19 Board shall be composed of 16 members as follows:

20 (A) 1 member appointed by each of the
21 Governors of the Great Lakes States; and

22 (B) 8 members appointed or otherwise des-
23 ignated by the Government of Canada.

1 (2) SPECIAL DUTIES.—In addition to the duties
2 specified in subsection (c), the initial Bank Board is
3 responsible for—

4 (A) incorporating the Bank in the United
5 States and Canada;

6 (B) establishing an organizational struc-
7 ture for the Bank;

8 (C) establishing management and oper-
9 ational policies of the Bank;

10 (D) identifying and actively recruiting po-
11 tential members to join the Bank; and

12 (E) preparing for and carrying out the or-
13 derly transition of the initial Bank Board to the
14 Bank Board as provided in paragraph (4).

15 (3) PAY.—Members of the initial Bank Board
16 shall serve without pay.

17 (4) TRANSITION TO BANK BOARD.—The term
18 of all members of the initial Bank Board shall termi-
19 nate on the day that the results of the first election
20 of members of the Bank Board are certified.

21 (5) CONDITIONS FOR TRANSITION.—Transition
22 from the initial Bank Board to the Bank Board
23 shall occur when, in the opinion of the President and
24 the Government of Canada, a sufficient number of
25 members have joined the Bank and such members

1 have contributed an adequate amount of capital to
2 the Bank to make the Bank a financially viable or-
3 ganization. Such transition may only occur after
4 there are 10 or more Bank members and the aggre-
5 gate of their subscription to the Bank's capital stock
6 is \$80,000,000 or more.

7 (c) DUTIES.—The Bank Board shall—

8 (1) evaluate and, if necessary, modify the orga-
9 nizational structure of the Bank established by the
10 initial Bank Board;

11 (2) evaluate and, if appropriate, revise the man-
12 agement and operational policies of the Bank;

13 (3) adopt, in an open process that affords an
14 opportunity for participation by interested persons
15 and governmental entities, such bylaws, rules, and
16 regulations as may be necessary or appropriate to
17 conduct business of the Bank;

18 (4) ensure that the functions of the Bank de-
19 scribed in section 202 are carried out;

20 (5) develop and ensure compliance with a code
21 of ethics for the Bank and its officers and employ-
22 ees;

23 (6) establish procedures for, and conditions of,
24 admitting members to the Bank;

1 (7) ensure that Bank members will fulfill their
2 obligations when the Bank Board makes a call for
3 capital to meet the Bank's obligations to its credi-
4 tors;

5 (8) approve calls on members' callable capital
6 for the purpose of meeting the Bank's obligations to
7 its creditors;

8 (9) declare and pay dividends when the Bank
9 Board determines that it is advisable;

10 (10) approve proposals for loans and other as-
11 sistance;

12 (11) appoint and fix the compensation of the
13 Managing Director;

14 (12) prepare and transmit to the President,
15 Congress, the Government of Canada, and Bank
16 members an annual business-type budget program
17 that—

18 (A) lays out the Bank's plan of operation;

19 (B) contains estimates of the financial con-
20 dition and operations of the Bank for the cur-
21 rent and following fiscal years and the financial
22 condition and results of such operations in the
23 preceding fiscal year;

24 (C) contains statements of the financial
25 condition, income and expense, and sources and

1 use of money, an analysis of surplus or deficit,
2 and additional statements and information to
3 make known the financial condition and oper-
4 ations of the Bank, including estimates of oper-
5 ations by major activities, administrative ex-
6 penses, loans, borrowings, and capital reserves
7 needed to cover loan and lease losses; and

8 (D) provides for emergencies and other
9 contingencies so that the Bank may carry out
10 its responsibilities; and

11 (13) prepare and transmit to the President,
12 Congress, the Government of Canada, and Bank
13 members an annual management report which
14 includes—

15 (A) a statement of financial position;

16 (B) a statement of operations;

17 (C) a statement of cash flows;

18 (D) a reconciliation to the budget program
19 of the Bank, if applicable;

20 (E) a statement on the internal accounting
21 and administrative control systems being imple-
22 mented by the Managing Director;

23 (F) the report resulting from the annual
24 audit of the financial statements of the Bank

1 conducted by independent public accountants
2 under section 217; and

3 (G) any other comments and information
4 necessary to inform the President, Congress,
5 the Government of Canada, and Bank members
6 about the operations and financial condition of
7 the Bank.

8 **SEC. 205. MANAGING DIRECTOR.**

9 (a) IN GENERAL.—The Bank shall have a Managing
10 Director who shall serve as chief executive officer of the
11 Bank.

12 (b) DUTIES.—In accordance with the policies estab-
13 lished by the Bank Board under section 204, the Man-
14 aging Director shall be responsible for—

15 (1) the day-to-day operations of the Bank;

16 (2) appointing, fixing the compensation of, and
17 defining the authority and duties of, officers, em-
18 ployees, and agents of the Bank necessary for the
19 management and operation of the Bank;

20 (3) assisting the Great Lakes and Saint Law-
21 rence Seaway maritime community in meeting its in-
22 vestment financing needs;

23 (4) presenting proposals for loans and other as-
24 sistance of the Bank to the Bank Board for its con-
25 sideration and approval; and

1 (5) ensuring that potential clients in the Great
2 Lakes States and Great Lakes Provinces are aware
3 of the programs and services offered by the Bank.

4 **SEC. 206. FORMS OF ASSISTANCE.**

5 (a) FINANCIAL ASSISTANCE.—

6 (1) IN GENERAL.—The Bank may provide loans
7 or other assistance to a public or private entity for
8 carrying out a project eligible for assistance under
9 this title.

10 (2) INTEREST AND FEES.—The Bank shall es-
11 tablish and collect—

12 (A) interest for making loans under this
13 title at rates, and

14 (B) fees for providing other assistance
15 under this title,

16 that the Bank Board determines appropriate.

17 (3) MAXIMUM AMOUNT.—The amount of loans
18 and other assistance provided under this title with
19 respect to a project may not exceed the lesser of—

20 (A) 75 percent of the cost of carrying out
21 the project; or

22 (B) 90 percent of the difference between
23 such cost and the amount of loans and other
24 assistance obtained for carrying out the project
25 from other sources.

1 (4) SUBORDINATION.—The amount of any loan
2 or other assistance provided under this title for a
3 project may be subordinated to any other debt fi-
4 nancing for the project.

5 (b) TECHNICAL AND MANAGEMENT ASSISTANCE.—
6 The Bank may also provide, on a fee-for-service basis,
7 technical or management assistance with respect to a
8 project eligible for assistance under this title. The cost of
9 such assistance may be financed as part of any financial
10 assistance provided under this title with respect to the
11 project.

12 (c) OTHER ASSISTANCE DEFINED.—In this title, the
13 term “other assistance” means the use of Bank funds to—

14 (1) guarantee, in whole or in part, loans made
15 by private investors through commercial investment
16 channels;

17 (2) provide credit enhancements;

18 (3) serve as a capital reserve for bond or debt
19 instrument financing;

20 (4) subsidize interest rates;

21 (5) ensure the issuance of letters of credit and
22 credit instruments;

23 (6) finance purchase and lease agreements;

24 (7) provide bond or debt financing instrument
25 security; and

1 (8) provide other forms of debt financing and
2 methods of leveraging funds that relate to the
3 project with respect to which such assistance is
4 being provided.

5 **SEC. 207. ELIGIBLE PROJECTS.**

6 (a) IN GENERAL.—The Bank may provide under this
7 title loans and other assistance only with respect to
8 projects that directly or indirectly improve the efficiency
9 or competitiveness of the Great Lakes or the Saint Law-
10 rence Seaway as a transportation route in maritime com-
11 merce. Such projects may include—

12 (1) maintenance of, or improvement to, Seaway
13 facilities to accommodate a greater percentage of the
14 world’s commercial vessel fleet;

15 (2) dredging to maintain or widen or deepen
16 navigational channels in the Great Lakes and the
17 Seaway;

18 (3) improvement to harbors, ports, docks, and
19 appurtenant facilities (including cranes and termi-
20 nals) in the Great Lakes and the Seaway;

21 (4) construction of warehouses and other mari-
22 time commerce-related development in the Great
23 Lakes and the Seaway region; and

24 (5) construction, major conversion, and mod-
25 ernization of commercial passenger or cargo vessels

1 that will be used in maritime commerce and will re-
2 sult in a higher level of, or more diverse, vessel traf-
3 fic in or through the Great Lakes-Saint Lawrence
4 Seaway system.

5 (b) ELIGIBILITY OF PLANNING, ENGINEERING, DE-
6 SIGN, AND LAND ACQUISITION COSTS.—Costs of plan-
7 ning, engineering, design, and land acquisition in connec-
8 tion with any project described in subsection (a) shall be
9 eligible costs for which the Bank may provide loans and
10 other assistance under this title.

11 **SEC. 208. CONDITIONS ON ASSISTANCE.**

12 (a) LOCATION.—The Bank may provide assistance
13 under this title to a private or public entity involved in
14 maritime commerce in the Great Lakes and the Saint
15 Lawrence Seaway region with respect to a project eligible
16 for assistance under section 207 only if—

17 (1) the entity is the Corporation; or

18 (2)(A) the entity is a member of the Bank; and

19 (B) the project will be carried out, or the entity
20 is registered to do business, within the jurisdictional
21 boundaries of a State or Province of Canada that is
22 a member of the Bank.

23 (b) PROCUREMENT.—The Bank may provide assist-
24 ance under this title to a private or public entity only if
25 the entity agrees, in writing, that no contract for pro-

1 curing goods or services necessary for the planning, de-
2 sign, development, and construction of the project for
3 which such assistance is being provided will be awarded
4 to any person or governmental entity (other than the
5 United States) unless such person or governmental entity,
6 or the political subdivision in which such person is located
7 or registered to do business is a member of the Bank, and
8 provides such other assurances as the Bank may require
9 to ensure that such agreement will be fulfilled.

10 **SEC. 209. BANK REQUIREMENTS.**

11 In carrying out its functions under this title, the
12 Bank Board shall—

13 (1) ensure that the Bank maintains on a con-
14 tinuing basis an investment grade rating on its debt
15 issuances or has a sufficient level of bond or debt fi-
16 nancing instrument insurance to maintain the viabil-
17 ity of the Bank;

18 (2) ensure that income generated by the Bank
19 will be—

20 (A) credited to the Bank;

21 (B) available for use in providing loans
22 and other assistance to projects eligible for as-
23 sistance from the Bank; and

24 (C) invested in (i) government securities
25 that are backed by the full faith and credit of

1 the United States, any State or political sub-
2 division of any State, Canada, or any Province
3 of Canada or political subdivision of any Prov-
4 ince of Canada, (ii) bank deposits, or (iii) such
5 other financing instruments as the Bank Board
6 may approve to earn interest to enhance the
7 leveraging of projects assisted by the Bank;

8 (3) ensure that a loan made by the Bank will
9 bear interest at or below market rates, as deter-
10 mined appropriate by the Bank Board, to make the
11 project that is the subject of the loan feasible;

12 (4) ensure that repayment of such loan will
13 commence not later than 1 year after the date of
14 completion of the project or the facility is open to
15 maritime traffic, whichever is later; and

16 (5) ensure that the term for repaying such loan
17 will not exceed 25 years beginning on the date on
18 which the first payment is due on the loan.

19 **SEC. 210. BANK CORPORATE POWERS.**

20 For the purpose of carrying out its functions under
21 this title, the Bank shall have the following powers:

22 (1) To have succession in its corporate name.

23 (2) To adopt and use a corporate seal.

24 (3) To sue and be sued in its corporate name.

1 (4) To admit members to the Bank under the
2 procedures and conditions established under section
3 204(c)(6).

4 (5) To indemnify members of the Bank Board
5 and officers, employees, and agents of the Bank for
6 liabilities and expenses incurred within the scope of
7 their employment by the Bank.

8 (6) To adopt, amend, and repeal bylaws, rules,
9 and regulations which shall—

10 (A) govern the manner in which its busi-
11 ness will be conducted and the powers vested in
12 it will be exercised; and

13 (B) be made after notice and opportunity
14 for participation by interested persons and gov-
15 ernmental entities.

16 (7) To make and carry out such contracts or
17 agreements as are necessary or advisable in the con-
18 duct of its business.

19 (8) To issue bonds from time to time in its dis-
20 cretion for public purposes if such bonds do not con-
21 stitute a debt of the United States, Canada, any
22 State, or any Province of Canada and if the pay-
23 ment of principal of, and interest on, such bonds is
24 not guaranteed by the United States, Canada, any
25 State, or Province of Canada.

1 (9) To acquire, by purchase, lease, or donation,
2 such real and personal property and any interest
3 therein, and to sell, lease, or otherwise dispose of
4 such real and personal property, as the Bank Board
5 considers necessary for the conduct of its business.

6 (10) To determine the character of, and the ne-
7 cessity for, its obligations and expenditures, and the
8 manner in which they shall be incurred, allowed, and
9 paid to carry out the objectives of this Act and the
10 agreement entered into under section 4.

11 (11) To retain and use all its revenues for pur-
12 poses of financing Bank operations.

13 (12) To provide, through contract or self-insur-
14 ance, for liability insurance and insurance against
15 loss incurred in connection with property, assets,
16 and operations of the Bank.

17 (13) To guarantee securities for which it has
18 provided assistance in order to facilitate their sale.

19 (14) To buy and sell securities it has issued.

20 (15) To exercise such other powers incidental to
21 its business as shall be necessary or appropriate to
22 carry out its functions under section 202.

23 (16) To invest funds not needed in its financing
24 and other operations in such obligations as it shall
25 determine to be prudent and appropriate.

1 (17) To invest funds held by it for pension or
2 similar purposes in any appropriate marketable se-
3 curities.

4 (18) To fix the compensation of Bank Board
5 members.

6 **SEC. 211. BANK MEMBERSHIP.**

7 (a) IN GENERAL.—A person, including a govern-
8 mental entity (other than the United States and the Cor-
9 poration), may become a member of the Bank if such per-
10 son complies with the procedures and conditions estab-
11 lished by the Bank Board under section 204(c)(6) and
12 meets the subscription requirements of this section.

13 (b) SUBSCRIPTION OF SHARES.—

14 (1) INITIAL.—In order to be a member of the
15 Bank, a person shall subscribe to such minimum
16 number of shares of capital stock of the Bank as the
17 Bank Board may establish.

18 (2) ADDITIONAL.—

19 (A) IN GENERAL.—When there are unsub-
20 scribed shares of the Bank’s capital stock or an
21 increase in the capital stock is approved under
22 subsection (g)(2), each member may subscribe,
23 under conditions established by the Bank
24 Board, to an amount of increased shares of

1 capital stock that does not exceed the amount
2 determined by multiplying—

3 (i) the amount of such unsubscribed
4 or increased shares, by

5 (ii) the ratio of the shares of capital
6 stock of the Bank owned by such member
7 on the day before such increase bears to
8 the aggregate shares of such stock owned
9 by all members of the Bank on such day.

10 (B) AVAILABILITY TO NONMEMBERS.—The
11 shares of capital stock that members do not
12 subscribe to under subparagraph (A) may be
13 made available by the Bank for subscription to
14 persons and governmental entities (other than
15 the United States) who are not members of the
16 Bank but who intend to become members of the
17 Bank.

18 (c) DIVISION AND CALLS OF SUBSCRIBED SHARES.—
19 The subscription of each member of the Bank shall be di-
20 vided into 2 parts as follows:

21 (1) 15 percent shall be paid-in cash or cash
22 equivalent.

23 (2) The remaining 85 percent shall be subject
24 to call by the Bank when required to meet the obli-
25 gations of the Bank to its creditors.

1 (d) CALLABLE CAPITAL.—Capital of members of the
2 Bank subject to call may only be called on a pro rata basis
3 with each member providing a share of the funds being
4 called which corresponds to its ownership share in the
5 Bank on the date of the call.

6 (e) LIMITATION ON LIABILITY.—The liability of each
7 member of the Bank shall be limited to the unpaid portion
8 of the issue price of the shares of capital stock of the Bank
9 subscribed to by the member.

10 (f) RESTRICTIONS ON ISSUANCE, TRANSFER, AND
11 PLEDGE OF SHARES.—Shares of capital stock of the Bank
12 may be issued only to members of the Bank, may not be
13 pledged or encumbered in any manner by the members
14 of the Bank, and may be transferred only to the Bank
15 by its members.

16 (g) AUTHORIZED CAPITALIZATION.—

17 (1) IN GENERAL.—The authorized capitaliza-
18 tion of the Bank shall be \$2,000,000,000. Subject to
19 section 212, the United States and Canada shall
20 each provide to the Bank \$600,000,000 in long-term
21 loans. The authorized capital stock of the Bank shall
22 be \$800,000,000 and shall be divided into 800,000
23 shares having a par value of \$1,000 each. Such
24 shares shall be available only for subscription by
25 members of the Bank.

1 (2) INCREASED CAPITAL STOCK.—The capital
2 stock of the Bank may be increased when the Bank
3 deems it advisable by a majority vote of members of
4 the Bank.

5 **SEC. 212. UNITED STATES PARTICIPATION.**

6 (a) PROHIBITION ON CAPITAL STOCK SUBSCRIP-
7 TION.—The United States and the Corporation may not
8 subscribe to shares of capital stock of the Bank.

9 (b) DIRECT LOAN.—Subject to advance appropria-
10 tions, the Secretary shall make a direct loan to the Bank
11 of \$100,000,000 after the Secretary determines that—

12 (1) the Bank is properly incorporated and char-
13 tered in the United States and Canada;

14 (2) the Bank has established reasonable condi-
15 tions for admitting members to the Bank, taking
16 into consideration the financial strength of the po-
17 tential members and the requirements of the Bank
18 to remain financially viable; and

19 (3) the Government of Canada is making a
20 similar loan to the Bank.

21 (c) AGREEMENT FOR FUTURE LOANS.—The Sec-
22 retary and the Bank Board shall enter into an agreement
23 under which the Secretary, subject to advance appropria-
24 tions, will make direct loans to the Bank not to exceed
25 \$500,000,000 in the aggregate. The Secretary may make

1 a loan under this subsection only if the Bank dem-
2 onstrates to the satisfaction of the Secretary that the
3 Bank needs such loans to meet the Bank's obligations to
4 its creditors.

5 (d) TERMS AND CONDITIONS.—A loan made by the
6 United States to the Bank under this section and section
7 211(g)—

8 (1) shall be for a term no longer than 25 years;

9 (2) shall bear interest at—

10 (A) a rate the Secretary of the Treasury
11 establishes, considering the current average
12 yield on outstanding marketable obligations of
13 the United States that have remaining periods
14 of maturity comparable to the average maturity
15 of the loan, adjusted to the nearest .125 per-
16 cent; plus

17 (B) an allowance the Secretary of Trans-
18 portation considers adequate to cover adminis-
19 trative costs and probable losses;

20 (3) shall be subject to a call for repayment by
21 the Bank at any time that the Secretary determines
22 the Bank is not complying with the objectives of this
23 title; and

24 (4) shall be subject to such other terms and
25 conditions as the Secretary determines appropriate.

1 **SEC. 213. LIMITATIONS ON UNITED STATES LIABILITY.**

2 (a) CONTRIBUTION.—The lending or contribution of
3 Federal funds, or the provision of credit or credit enhance-
4 ment by the United States, to the Bank shall not be con-
5 strued as a commitment, guarantee, or obligation on the
6 part of the United States to any third party, nor shall
7 any third party have any right against the United States
8 for payment solely by virtue of the contribution.

9 (b) FINANCING INSTRUMENT.—Any security or debt
10 financing instrument issued by the Bank shall expressly
11 state that the security or instrument does not constitute
12 a direct or indirect commitment, guarantee, or obligation
13 of the United States.

14 (c) OUTSTANDING LOAN.—The liability of the United
15 States to the Bank or any other person or governmental
16 entity for any claim arising as a result of any action or
17 inaction by the Bank shall be limited to the aggregate
18 amount of loans from the United States to the Bank out-
19 standing on the date the claim arose or at the time of
20 final judgment, whichever results in the lesser amount.

21 **SEC. 214. FEDERAL RESERVE BANKS AS DEPOSITORIES.**

22 Any Federal Reserve bank that is requested to do so
23 by the Bank may act as its depository or as its fiscal
24 agent.

1 **SEC. 215. REPORTS ON BANK SECURITIES.**

2 (a) REPORTS TO SECURITIES AND EXCHANGE COM-
3 MISSION.—The Bank shall file with the Securities and Ex-
4 change Commission such annual and other reports with
5 regard to securities issued by the Bank (including any
6 guarantee made by the Bank, whether or not limited in
7 scope) as the Commission determines to be appropriate
8 in view of the special character of the Bank and its oper-
9 ations and necessary in the public interest or for the pro-
10 tection of investors.

11 (b) REPORTS TO CONGRESS.—The Commission shall
12 include in its annual reports to Congress such information
13 as the Commission shall deem advisable with regard to
14 the operations of the Bank and the reports submitted to
15 the Commission under subsection (a) and in connection
16 therewith shall include any views submitted for such pur-
17 pose by any association of dealers registered with the
18 Commission.

19 **SEC. 216. JURISDICTION AND VENUE OF CIVIL ACTIONS BY**
20 **OR AGAINST BANK.**

21 (a) JURISDICTION.—The United States district
22 courts shall have original and exclusive jurisdiction of any
23 civil action brought in the United States by or against the
24 Bank.

25 (b) VENUE.—For purposes of section 1391(b) of title
26 28, United States Code, the Bank shall be deemed to be

1 a resident of the judicial district in which the principal
2 office of the Bank in the United States, or its agent ap-
3 pointed for the purpose of accepting service or notice of
4 service, is located.

5 **SEC. 217. AUDITS AND REPORTS.**

6 (a) ACCOUNTING AND AUDIT.—The books of account
7 of the Bank shall be maintained in accordance with gen-
8 erally accepted accounting principles and shall be subject
9 to an annual audit by independent public accountants of
10 internationally recognized standing.

11 (b) REPORTS.—The Managing Director shall submit
12 to the President and the Government of Canada, on or
13 before the 90th day following the last day of each fiscal
14 year, a complete and detailed report with respect to the
15 preceding fiscal year, setting forth—

16 (1) a summary of the Bank's operations for
17 such preceding fiscal year; and

18 (2) the Bank's financial statements and the
19 opinion with respect thereto prepared by the inde-
20 pendent public accountants reviewing such state-
21 ments, and a copy of any report made on an audit
22 conducted under subsection (a).

23 (c) ANNUAL REVIEW.—The board of review estab-
24 lished under section 113(c) shall review the annual audit
25 conducted under subsection (a) and shall transmit to the

1 President, Congress, and the Government of Canada a re-
2 port of its findings with such recommendations as the
3 board of review considers appropriate.

4 **SEC. 218. AUTHORIZATION OF APPROPRIATIONS.**

5 (a) BANK START-UP COSTS.—There is authorized to
6 be appropriated \$250,000 to the Secretary for transfer to
7 the Bank for the United States share of the cost of estab-
8 lishment of the Bank on the date of establishment of the
9 Bank. Such funds shall remain available until expended.

10 (b) DIRECT LOAN COSTS.—There is authorized to be
11 appropriated such sums as necessary for the costs of mak-
12 ing direct loans under sections 211(g) and 212. For pur-
13 poses of this subsection, the cost of making a direct loan
14 are the costs described in section 502(5)(B) of Congres-
15 sional Budget Act of 1974 (2 U.S.C. 661a(5)(B)).

○