SEC. 7002. FEDERAL REQUIREMENTS FOR TIFIA ELIGIBILITY AND PROJECT SELECTION.

(a) In General.—Section 602(c) of title 23, United States Code, is amended by adding at the end the following:

“(3) Payment and performance security.—

“(A) In General.—The Secretary shall ensure that the design and construction of a project carried out with assistance under the TIFIA program shall have appropriate payment and performance security, regardless of whether the obligor is a State, local government, agency or instrumentality of a State or local government, public authority, or private party.

“(B) Written determination.—If payment and performance security is required to be furnished by applicable State or local statute or regulation, the Secretary may accept such pay-
ment and performance security requirements applicable to the obligor if the Federal interest with respect to Federal funds and other project risk related to design and construction is adequately protected.

“(C) No determination or applicable requirements.—If there are no payment and performance security requirements applicable to the obligor, the security under section 3131(b) of title 40 or an equivalent State or local requirement, as determined by the Secretary, shall be required.”.

(b) Applicability.—The amendments made by this section shall apply with respect to any agreement for credit assistance entered into on or after the date of enactment of this Act.