



March 23, 2010

The Honorable Sander Levin
Acting Chairman
Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

The Honorable Dave Camp
Ranking Member
Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Acting Chairman Levin and Ranking Member Camp:

The Securities Industry and Financial Markets Association (“SIFMA”)¹ strongly supports the Small Business and Infrastructure Jobs Act of 2010 (H.R. 4849), and urges its quick passage.

In particular, SIFMA supports the Build America Bonds (“BABs”) provision in the bill, which would allow state and local governments to sell taxable municipal bonds through March 31, 2013. In recognition of its invaluable improvement in market structure and contribution to improving efficiency, liquidity and transparency for borrowers and investors alike, extending the BABs program would continue to provide these benefits to state and local governments.

SIFMA also supports other municipal provisions in the bill, including: extending the authority to issue Recovery Zone bonds through 2011 and making additional allocations of Recovery Zone bonds based on 2008 unemployment levels; permitting tax-exempt, private-activity bonds used for water and sewer projects to be financed without state volume cap allocation; and extending the current alternative-minimum tax holiday for private-activity bonds to apply to bonds issued in 2011.

State and local governments bear responsibility for financing and building a significant portion of the nation’s public infrastructure, including schools, roads, water and sewer systems, public buildings, airports and other facilities. As an alternative to, or used in combination with, tax-exempt bonds, BABs have provided significant cost savings for state and local governments in financing this critical infrastructure.

¹ SIFMA brings together the shared interests of securities firms, banks, and asset managers. SIFMA’s mission is to promote policies and practices that work to expand and perfect markets, foster the development of new products and services, and create efficiencies for member firms, while preserving and enhancing the public’s trust and confidence in the markets and the industry. SIFMA works to represent its members’ interests locally and globally. It has offices in New York, Washington D.C., and London and its associated firm, the Asia Securities Industry and Financial Markets Association, is based in Hong Kong.

Extending the BABs program would create certainty in both the taxable and tax-exempt markets and would allow for the most efficient and cost-effective means for state and local governments to finance critical infrastructure in the future. It would also assure investors that the BABs market, and their investments in it, is sustainable.

A robust municipal bond market benefits not only issuers and investors, but also the restoration of the U.S. economy as a whole.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Bentsen", with a long horizontal line extending to the right.

Kenneth E. Bentsen, Jr.
Executive Vice President, Public Policy and Advocacy