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of Bond Lawyers

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Sent Via Electronic Mail

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Joseph R. Biden
President-Elect
United States of America
C/O Biden Transition Team

Re: *Suggestions for Biden Transition Team*

Dear President-Elect Biden:

On behalf of the Board of Directors of the National Association of Bond Lawyers (NABL), I want to congratulate you on being elected President of the United States of America. Recognizing your past support of building strong communities, NABL would like to take this opportunity to share policies we believe would be of immediate and long-term benefit as we continue to navigate the COVID-19 pandemic and work toward economic recovery.

NABL is a non-profit corporation and specialty bar association of approximately 2,500 lawyers. We exist to promote the integrity of the municipal bond market by advancing the understanding of and compliance with the law affecting public finance. NABL members and their firms are involved every year in a significant portion of the municipal financings by state and local governments.

As Congress continues to tackle the COVID-19 pandemic, NABL has identified a series of proposals that will allow state and local governments immediate access to much needed capital, while also supporting the economic recovery of our nation. These proposals can be found in a letter sent to Congress on April 9, 2020 in which we address two major topics: economic recovery and rebuilding our nation's infrastructure. We build upon both topics below and have included this letter with our communication.

Economic Recovery

State and local governments play a vital role in delivering essential support to American citizens, and the financial well-being of state and local governments depends in large part upon the robustness of the municipal bond market. The ongoing economic impact of the pandemic on domestic and global markets is significant and demands further action. Together with Congress, your administration could provide the tools urgently required to allow state and local governments to deliver needed support to the American public.

Adopting the proposals identified in our enclosed letter will enable state and local governments to access much needed capital at a time when support to our communities is of paramount and immediate concern. We urge your administration to consider implementing these recommendations and would be happy to be a resource for you.

Infrastructure

We believe that crafting a robust infrastructure package is inextricably tied to job creation and should be a significant component of the country's economic recovery plan. Tax-exempt bonds finance necessary capital infrastructure and other projects that clearly, directly, and efficiently support and serve the American people. State and local government bonds have financed a substantial portion of our country's schools, roads and highways, bridges, hospitals, universities, and public utilities, while tax-exempt private activity bonds (PABs) finance critical projects such as hospitals, institutions of higher education, airports, seaports, mass transit and other transportation facilities, and affordable housing. Tax-exempt bonds provide local control, with state and local governments setting the priorities for building infrastructure and promoting economic development within the limitations set by Congress.

Many of the proposals NABL supports relating to infrastructure can be found in the Moving America Forward Act (H.R. 2 of 2020). We would encourage you to look to the bond provisions contained therein in developing and finalizing the administration's economic recovery and infrastructure plans. Included in the Act are many provisions that demonstrate strong Congressional support for tax-advantaged bonds, such as preserving and enhancing PABs, creating a new direct pay bond model, reinstating tax-exempt advance refundings, and encouraging banks and other financial institutions to purchase bonds that benefit governmental and charitable entities under the "bank qualified bonds" provisions of section 265 of the Internal Revenue Code of 1986.

Conclusion

We appreciate the complexity of not only fighting the health and economic effects of the pandemic, but also simultaneously formulating an infrastructure package focused on jobs and the economy. We strongly encourage you to tap into the strength and value provided by the municipal bond market to promote economic recovery and the overall health and safety of Americans. We look forward to being a resource to you and your staff.

If NABL can provide further assistance, please do not hesitate to contact Jessica Giroux, Director of Governmental Affairs in our Washington DC office, at (518) 469-1565 or at jgiroux@nabl.org.

Sincerely,



Teri M. Guarnaccia
President
National Association of Bond Lawyers

Enclosure: NABL Letter to Congress and the U.S. Department of the Treasury dated April 9, 2020.