Dear Member of Congress:

As the 114th Congress works to finalize its remaining legislative priorities, this broad coalition working to address our nation’s infrastructure deficit encourages you to support several innovative legislative proposals to help finance infrastructure projects through the use of public-private partnerships, or P3s.

As you know, Private Activity Bonds (PABs) are an essential tool for helping close the financing gap for major public infrastructure projects. Issued by or on behalf of local or state governments, PABs help lower the cost of capital for P3 projects significantly. By providing the private sector with this tax-exempt tool, the Federal government has helped jumpstart many large, complex public infrastructure projects that otherwise may never have been built.

Another innovative financing instrument is the Water Infrastructure Finance and Innovation Act loan program. Known as WIFIA, the program was authorized in the Water Resource Reform and Development Act of 2014. It would accelerate investment in our nation’s water infrastructure by providing low-interest loans for regionally and nationally significant water-related projects that cost $20 million or more.

The P3 Coalition would like to bring to your attention, and encourage your support for, the following proposals currently introduced in the Senate and the House:

- For **Public Buildings** such as courthouses, hospitals and schools: H.R.5361 and S.3177, to provide a new class of projects eligible for financing through PABs for certain government-owned buildings;
- For **Surface Transportation** projects such as bridges and highways: H.R.6085, to increase the current national limitation amount for qualified highway or surface freight transfer facility bonds, a category of Private Activity Bonds;
- For **Water** projects such as drinking water and wastewater systems: H.R.499 and S.2606, to exempt from state volume caps tax-exempt facility bonds for sewage and water services facilities; and
- For loans authorized under **WIFIA**, funding in the final version of the FY17 appropriations bill.

It is important to remember that the relatively small cost to the US Treasury from the increased issuance of PABs would be replaced many times over by increased project investment and economic activity. Increasing the use of PABs would give developers and operators access to tax-exempt interest rates,
lowering the cost of capital and increasing the involvement of private investors across infrastructure sectors. The same lower cost of capital advantage would apply to loans issued through WIFIA.

We thank you for your ongoing willingness to consider innovative legislative proposals to help finance greater numbers of new infrastructure projects. Our organizations stand ready to work with you on any year-end legislative proposal to provide greater access to these important infrastructure financing tools.

Sincerely,

American Council of Engineering Companies (ACEC)
Associated General Contractors of America (AGC)
Association for the Improvement of American Infrastructure (AIAI)
American Road & Transportation Builders Association (ARTBA)
American Society of Civil Engineers (ASCE)
International Bridge, Tunnel and Turnpike Association (IBTTA)
National Association of Water Companies (NAWC)
National Council for Public-Private Partnerships (NCPPP)
National Stone, Sand & Gravel Association (NSSGA)
Performance Based Building Coalition (PBBC)
Transportation Transformation Group (T2)