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White House Proposal Would Encourage Public-Private Infrastructure Projects.

WASHINGTON—The White House will propose new policies designed to make it easier for the private sector to work with governments on infrastructure projects such as roads, ports, public transportation and utility networks.

As part of a series of policy rollouts in advance of next week's State of the Union address, the Obama administration is proposing the creation of a new kind of municipal bond to help finance projects that are jointly managed or financed by both government and the private sector.

The proposed new securities, called Qualified Public Infrastructure Bonds, wouldn't expire and would offer new tax advantages over current options for public-private municipal partnerships. The administration says the proposed new bonds would help lower the cost of borrowing for cities and towns. The bond proposal would require a vote from Congress.

The Obama administration has also launched a new initiative at the Environmental Protection Agency to help attract more private-sector investment in drinking water and wastewater systems, as well as one through the Department of Agriculture that would find new opportunities for private-sector investment in rural water, energy and broadband projects.

Vice President Joe Biden will discuss the administration's proposals at a stop in southeast Washington, D.C. on Friday, appearing with EPA administrator Gina McCarthy, Secretary of Agriculture Tom Vilsack, and Washington, D.C. Mayor Muriel Bowser.

President Barack Obama has repeatedly stressed the need for greater investment in infrastructure, and has identified the topic as one potential area of compromise with congressional Republicans during his final two years in office.

In his State of the Union, he is expected to call on Congress to vote on a separate four-year, \$300 billion transportation proposal.

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