

# Bond Case Briefs

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## America's Infrastructure: The Time to Build is Now

***The case for making infrastructure a priority and the issues that may affect our ability to fix it.***

This week marks the 5th annual Infrastructure Week — a clear reminder that strong, resilient infrastructure is critical to our country's economic growth and vitality; yet we continue to fall behind due to crumbling and outdated roads, bridges, rails, airports and seaports, water pipes and the power grid. This has not gone unnoticed.

A 2016 National Infrastructure Poll, conducted by the Association of Equipment Manufacturers, found that the majority of Americans recognize the declining state of our country's infrastructure and that it should be addressed. The Trump Administration has identified infrastructure as one of the top priorities of the new President's agenda. To underscore the urgency surrounding U.S. infrastructure, there is also growing bipartisan support: Democratic Senator Bill Nelson, ranking member of the Senate Commerce Committee, discussed infrastructure and the role it plays in our economy, telling Vice President Mike Pence in March 2017 that the "time might be right" for a Bipartisan Infrastructure Bill. With heightened recognition across the country, our leaders and citizens, why is infrastructure still in crisis?

At SIFMA, we distinguish between **financing infrastructure** — bringing capital from investors to build projects — and **funding infrastructure**, finding ways to pay the operating and maintenance costs in the long-term, service the debt and provide a return on capital. We believe the infrastructure problem lies in the ability to identify reliable funding sources and recommend:

- Preserving the tax exemption for municipal bonds;
- Expanding Public-Private Partnerships (P3s), including the use of Private Activity Bonds (PABs) without restrictions for publicly accessible projects, promoting private equity investment in public projects, and applying design-build strategies;
- Reviving direct-pay bonds.

These approaches can help. However, as part of Congress' discussions on federal tax reform, there is concern the House of Representatives may consider options that could negatively affect the ability to fund our infrastructure, such as imposing a full or partial federal income tax on municipal bond interest or eliminating PABs, both of which have been proposed by policy-makers before.

In order to bring our infrastructure into the 21st century, we need to invest more without imposing burdens that can weigh down our economy.

I recently discussed this issue in-depth with The Bond Buyer.

For more information, [listen to the podcast](#).

SIFMA

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