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Capitol Hill Update: Infrastructure Push Slowed

Congress Turns Focus Back to Direct Funding to Cities

Last week, the House of Representatives announced its push to include a massive infrastructure package into a future "stimulus phase 4" bill. This idea ran into strong Republican push-back in the Senate, and seems to have been tabled for the potential April stimulus legislation.

This week, both Chambers seem to be coalescing around the idea of more direct funding to cities, particularly smaller cities that were left behind in "phase 3," and the potential for another round of checks to qualified Americans.

While a major infrastructure package now seems unlikely, the BDA and our partners in the issuer community continue to push for member priorities in the potential phase 4 package including:

- The restoration of tax-exempt advance refundings
- Increase in the cap for bank qualified debt;
- Expansion of the use of Private Activity Bonds; and
- Potential exploration of the reinstatement of direct-pay bond and ending exposure to sequestration.

Administration Considering "Coronavirus Bonds"

Yesterday, Larry Kudlow, Director of the National Economic Council teased an idea of Treasury creating a long duration Coronavirus bond program equivalent to a war-bond to help spur the economy. While Congress has yet to adopt this thinking, the administration continues to look at long-term paper options if the initial $2 trillion dollar stimulus package fails to deliver enough economic punch.

The BDA will continue to provide updates as they become available

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