

# **Bond Case Briefs**

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## **Infrastructure Law Paves The Way For Transportation GARVEE Bonds' Federal Support And A Stable Sector View: S&P**

### **Key Takeaways**

- The Infrastructure Investment and Jobs Act has been signed into law and contains a new five-year surface transportation reauthorization (2022 to 2026) that replaces the previous Fixing America's Surface Transportation (FAST) Act.
- Although the law does not address the Highway Trust Fund's structural deficit, it identifies a transfer between the general fund and the trust fund that should keep this program fully funded for the next five years.
- S&P Global Ratings' view of the federal grant-secured transportation sector is stable, reflecting our expectation of reliability and strong support for transportation infrastructure investment from all levels of government.
- Grant anticipation revenue vehicle programs' debt service coverage could decrease and their leverage increase as states and regional transportation agencies issue more debt to maintain and expand investment in roads and transit; alternatively, debt service coverage could rise if debt remains level or decreases.

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