

TAX CREDIT BONDS FOR INFRASTRUCTURE

Mr. WYDEN: Mr. Chairman, I would like to thank you for your work in including tax credit bonds for infrastructure in this bill.

As you know, for the last five years, I have been working to develop legislation which would create tax credit bonds for infrastructure investment, which I have called Build America Bonds.

And I am honored that you have called the tax credit bonds for infrastructure in your bill “Build America Bonds.”

I appreciate your commitment to infrastructure investment as a stimulus. Everyone acknowledges that we need massive repairs and upgrades in our public infrastructure, and, dollar for dollar, investment in infrastructure is one of the best ways to create jobs and jumpstart the economy.

And I especially appreciate your efforts to use innovative financing mechanisms, including the bonds in this bill, to fund that investment in America’s future.

With that said, I want to work with you to make sure the bonds do what we intend them to do – provide a prompt infrastructure investment in an efficient way.

To that end, I ask that we continue to get ideas from stakeholders who can help us improve this provision.

Specifically, I would suggest boosting the rate of return to bond holders so that the bonds are more attractive to investors.

Second, I would urge you to consider creating a centralized issuer or issuers to reduce inefficiencies – like we did in my original Build America Bonds proposal.

Lastly, I feel strongly that we should require issuers to sell a portion of their bonds in small denominations so individuals can invest in America’s infrastructure as well. We want American families like the ones you find in Oregon and Montana to have the opportunity to be stakeholders in their country’s future.

In working with Senators Talent and Thune, as well as industry and labor groups, on this bill, these are elements that I have found to be particularly important in making Build America Bonds successful.

Would you be willing to work with me on these issues on a fast track to ensure that the infrastructure bonds included in the final stimulus bill are effective as possible in promoting investment in infrastructure?

Mr. BAUCUS: Senator Wyden, thank you very much for your hard work on Build America Bonds. I appreciate your leadership on this issue and I agree that we need to continue soliciting input from municipal securities groups. I share your desire to make these bonds effective and efficient. I will work with you as this legislation moves forward.