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SFAA 111th Annual Meeting

There is still time!
Register today for the 111th Annual Meeting of the Surety & Fidelity Association of America

Rooms are being held at a rate of $359 a night and can be booked online.

The cut-off date for the block rate has been extended to April 19, 2019.

The Watergate Hotel
2650 Virginia Avenue NW
Washington, DC 20037

Register Now
Former Special Assistant to President Trump for Infrastructure Gribbin Set as Keynote Speaker of the 111th Annual Meeting

Former Special Assistant to President Trump DJ Gribbin will deliver the keynote address at the 111th Annual Meeting of The Surety & Fidelity Association of America on May 16. DJ is the founder of Madrus, LLC, a strategic consulting firm dedicated to developing critical infrastructure more efficiently. In this role, he advises clients on a broad range of infrastructure, legal, business and policy issues. He is a speaker and writer on the future of infrastructure policy.

DJ also serves as a Senior Operating Partner for Stonepeak Infrastructure Partners and Chairman of Education for San Pablo, a charitable non-profit his family established to assist impoverished Guatemalans.

Before the founding of Madrus, DJ served in the White House as the nation’s first Special Assistant to the President for Infrastructure. In this role, DJ led the effort to develop the Administration’s infrastructure policy and championed permitting reform. In the public sector, DJ also served as General Counsel for the U.S. Department of Transportation and was the recipient of the Secretary’s gold medal on two separate occasions. At the Federal Highway Administration, DJ served as Chief Counsel. While at FHWA he created a federal public-private partnership (P3) task force and authored a report to Congress, underscoring the advantages of alternative project delivery.

Will Bad Facts Make Bad Law in Oregon?

A massive five-alarm fire in an auto scrap yard in northeast Portland caused the evacuation of local homes and businesses. Utilities throughout the area were shut off. When the smoke cleared, several
homes and an apartment building were destroyed. Smoke and falling ash curbed outdoor activities in the neighborhood for the next few days. State regulators questioned whether the auto dismantler had the right permits for handling hazardous materials found on site and continue their investigation.

The state legislature wasted no time in developing legislation to fix the problems. The proposed legislation will increase the license bond amount for auto dismantlers from $10,000 to $500,000. SFAA provided the legislators with information on the value of license bonds and advised that is unduly high bond amounts or over expansive bond obligations often cause sureties to tighten their underwriting, which can negatively impact the availability of these bonds.

The legislature agreed to a $100,000 bond amount, which may exclude small businesses. SFAA remains concerned about the scope of the bonding obligation, which would require the dismantler to:

1) comply with any order or program from the Department of Environmental Quality that governs the conduct of dismantlers;

2) have an approved fire response plan; and

3) comply with all requirements for recordkeeping.

According to testimony on this issue, approximately 200 licensed dismantlers could be affected in Oregon.

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**Clarifying Bonding Requirements in Missouri Includes Expanding the Payment Bond Obligations**

The Missouri Senate passed legislation clarifying the Missouri Supreme Court’s decision in the Brentwood case. The legislation is now moving through committee in the House. The court held that the bonding requirements of the Little Miller Act does not apply to projects where a public owner hires a consultant or other third party that "arranges" for construction services to develop public property, because such an entity does not directly "provide" these services. This decision creates an unintended loophole to the Little Miller Act for public construction undertaken through a consultant or other third party that is not performing the physical work. SFAA, APCIA and the local AGC and ASA have agreed to amendments that would close the loophole.

Local subcontractors also added a requirement that the payment bond shall pay suppliers at all levels, which the local AGC supports. Politically, our options are limited for addressing the payment bond issue. If SFAA opposes the bill because of the payment bond issue, the local AGC and ASA will still pursue the bill and likely get it passed this year. We agreed to a written notice requirement within 90-days from the time the supplier last furnished materials to the project. If the notice is not given, the supplier has no payment remedy.
For the second year, The Surety & Fidelity Association of America participated in Governing Magazine’s Editorial Roundtable on Infrastructure on April 10, 2019, in Washington, D.C. Moderated by Zach Patton, Executive Editor and Dan Vock, Transportation and Infrastructure Reporter from Governing magazine. The roundtable provided an opportunity for industry experts to discuss government initiatives, emerging trends, and opportunities shaping the 2019 Infrastructure outlook for local government. Topics included transportation/mobility, water, energy and social infrastructure.

Public-private partnerships (P3s) remain a hot topic across the country, since Capitol Hill and the White House are no closer to a federal infrastructure package. Interest in P3s range from repairing the country’s bridges and roads to upgrading broadband infrastructure in rural areas. The consensus around the table was that there will be no shortage of infrastructure related work available for the foreseeable future and that the federal government should make the infrastructure package a priority for 2019.