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SFAA Government Affairs Advisory Committee Assesses 2020 Agenda

Last week, SFAA and APCIA member representatives met in Washington, DC, to establish joint advocacy goals to support the strategic priorities of preserving current contract and commercial surety protections, and promoting new public sector opportunities. The discussion also included next steps regarding the implementation of new advocacy-related best practices. Here are key takeaways:

[Further content]
SFAA will advocate for appropriate bonding language in any state where P3 legislation is introduced in 2020.

SFAA will continue to proactively work on Pennsylvania P3 bonding language, including initial efforts to revise the state Little Miller Act language provisions to eliminate local owner discretion around acceptable forms of security.

SFAA will establish a State Affairs Advisory Subcommittee to encourage more frequent and direct member government relations engagement.

SFAA will review and overhaul its communications best practices in order to make member information more user-friendly and to make external-facing advocacy materials more meaningful for lawmakers and regulators.

SFAA will continue to have as its top federal priorities amending the TIFIA program to require bonding or other acceptable security on P3s, and eliminating indexing of the Miller Act bonding threshold.

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Joe Biden Releases $1.3 Trillion Infrastructure Plan

The Democratic presidential hopeful and former Vice President released a $1.3 trillion infrastructure proposal that includes significant investments in electric car-charging stations, high-speed rail, clean energy research and other, more traditional, surface transportation projects over the next ten years. The plan specifically highlights spending approximately $50 billion over the first year to repair roads, highways, and bridges and taking administrative steps to streamline the federal permitting process.

Biden is the first Democratic presidential candidate to release a comprehensive plan to address infrastructure investment. Biden’s plan would be funded by reversing the 2016 Trump tax cuts for corporations. This approach to funding an infrastructure package will likely experience significant resistance if Republican’s maintain their majority in the Senate. Regardless of who is in control of the White House or Congress, it is clear both parties have a vested interest in advancing an infrastructure package and it remains one of the few bipartisan goals in Washington.

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Maryland and Virginia Plan $1 Billion P3 to Ease Congestion

The Republican Governor of Maryland, and the Democratic Governor of Virginia announced that their states plan to partner up for a new American Legion Bridge and Express Lanes to relieve one of the worst congestion points in the region. The project will surely lead to numerous bonding opportunities since it involves public money.

Maryland will issue a request for qualifications from a contractor to build the bridge and toll lanes as part of a P3 project. Virginia will engage in a P3 to operate toll lanes and provide early financing to Maryland’s concessionaire for the bridge. Both states hope to break ground in 2022 and have the project finished by 2027. Current projections place the cost at $1 billion, but Virginia’s Deputy Secretary of Transportation said that could change as the project moves forward.
Traffic on the bridge has increased 390% since the bridge opened in 1962, and is used by 40% of people in the region. The population of the region is expected to grow by another 1.2 million people by 2040, which helped motivate a bipartisan effort to streamline travel on the Capital Beltway.

**USDOT Announces $900 Million in Infrastructure Grants for States**

The Department of Transportation (DOT) announced will provide $900 million in discretionary grants funding for 55 projects in 35 states through the Better Utilizing Investments to Leverage Development (BUILD) program. The comprehensive list of projects set to receive grant funding can be found [here](#). The program allocates roughly 68%, $603 million, of the available grants to specifically to road transportation projects and includes heavy investment in rural areas of the country.

The announcement comes a week after the Federal Highway Authority released new data outlining how much budget authority each state department of transportation will lose if Congress does not reverse a rescission (cancellation) of funds that was included in the 2015 highway bill. Although the provision to reverse this cancellation of funds has bipartisan support, it is quickly running out of potential legislative vehicles to be coupled with before the funding is canceled on July 1, 2020. In the absence of a new surface transportation bill, Congress will likely have to address this issue through standalone legislation, which may prove to be an uphill battle given the dwindling legislative calendar and the upcoming 2020 elections.

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**We’re Hiring!**

**Vice President**

Strategic Communications, Marketing and Research

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**Did You Work with a Private Owner on a Bonded Project? Apply for the Tiger Trust Award!**

As part of SFAA's increased efforts to
encourage more private owners and lenders to require bonding on projects, the Association encourages more people to apply for the Tiger Trust Award. This award recognizes individuals who owners to require surety bonds.

Along with NASBP, SFAA wants to highlight more examples of the great work LSAs, underwriters, and producers do with private owners.

Last year’s winner, Joshua Etemadi, had a client on a project where the private owner wanted to ensure that a replacement contractor could be found if necessary for the $1.2 renovation. After talking with Mr. Etemadi, they elected to require performance and payment bonds, which they had not done previously.

The nomination must demonstrate that the owner or lender of a specific construction project was persuaded to require surety bonds due to the candidate’s personal efforts or influence. The applicant must include details of how he or she convinced the owner or lender to require a bond along with documentation from the owner or lender on official letterhead verifying the candidate’s role in persuading the owner or lender.

Nominations are due by February 17, 2020. For more information, please contact Seth Johnson.

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Apply for the Surety Industry Awards!

SFAA and NASBP invite all Local Surety Associations to submit applications for the Surety Industry Awards in recognition of their work promoting surety bonding.

Award categories are:

- Silver Award
- Gold Award
- Platinum Award
- Advocacy Award
- Tiger Trust

Please email Seth Johnson with any questions. The deadline to apply is February 17, 2020.
The Surety & Fidelity Association of America (SFAA) is a trade association of more than 425 insurance companies that write over 98 percent of surety and fidelity bonds in the U.S. SFAA is licensed as a rating or advisory organization in all states and it has been designated by state insurance departments as a statistical agent for the reporting of fidelity and surety experience.