



March 4, 2010

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
Washington, D.C., 20515

The Honorable John Boehner
Republican Leader
United States House of Representatives
Washington, D.C., 20515

The Honorable Sander Levin
Acting Chairman, House Ways and Means
Committee
United States House of Representatives
Washington, D.C., 20515

The Honorable Dave Camp
Ranking Member, House Ways and Means
Committee
United States House of Representatives
Washington, D.C., 20515

Dear Speaker Pelosi, Republican Leader Boehner, Chairman Levin and Ranking Member Camp:

The House of Representatives today will vote on amending the Senate's version of jobs legislation ("H.R. 2847"). The Securities Industry and Financial Markets Association ("SIFMA")¹ strongly supports the House Amendment to Section 301 of the Senate-passed bill related to Qualified School Construction Bonds ("QSCBs") and other tax-credit bonds.

The House Amendment would greatly improve the ability of states and local school districts to raise capital for new school construction by allowing those issuers to elect to receive tax credits directly, rather than have those credits be directed to investors.

Unfortunately, tax-credit bonds like QSCBs as provided for in the American Recovery and Reinvestment Act of 2009 ("ARRA") have not worked as well as anticipated. Because of flaws in the structure of tax-credit bonds and a very limited market for federal income tax credits, school districts and states have been able to issue only a small fraction of QSCB tax-credit bonds. The ARRA originally authorized \$22 billion of QSCBs to be used for public school construction in 2009 and 2010, but less than \$3 billion of QSCBs have been issued.

Under the House Amendment, state and local school districts and governments would be able to achieve the no-cost or low-cost financing that Congress originally intended, similar to the highly successful Build America Bonds ("BABs") program. The cost to the federal government would be no more, and likely less, than under current law, as has been the case with the BABs program. The result will be billions of dollars of new investment in schools and other infrastructure resulting in thousands of construction and other jobs.

¹ The Securities Industry and Financial Markets Association (SIFMA) brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit www.sifma.org.

We, again, strongly support the House Amendment to H.R. 2847 and urge its quick adoption.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenneth E. Bentsen, Jr.", with a stylized flourish at the end.

Kenneth E. Bentsen, Jr.
Executive Vice President, Public Policy and Advocacy
SIFMA