



THE SURETY &
FIDELITY ASSOCIATION
OF AMERICA



For Immediate Release

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SFAA and NASBP Host Successful Virtual Joint Legislative “Fly-In” *Educate members of Congress and staff about the value of construction surety bonds*

June 1, 2022 (WASHINGTON, DC) – The Surety & Fidelity Association of America (SFAA) and the National Association of Surety Bond Producers (NASBP) hosted their second Virtual Joint Legislative Fly-In on Wednesday, May 25, 2022. The SFAA and NASBP Joint Legislative Fly-In enabled surety professionals from across the country to educate members of Congress and staff about the value of construction surety bonds and advocate for their legislative priorities specifically relating to WIFIA-funded water projects and broadband expansion projects.

The virtual meetings allowed SFAA and NASBP members to show their strong support for new legislation to clarify the bonding requirements under the Water Infrastructure Finance and Innovation Act (WIFIA), including Public-Private Partnership (P3) projects. “This new legislation would maintain parity with the Transportation Infrastructure Finance and Innovation Act (TIFIA) amendment, which passed the Senate with a unanimous 97-0 vote in 2021,” said Lee Covington, SFAA President & CEO. Mark McCallum, NASBP CEO, stated “As one of the key financing vehicles for water infrastructure projects, WIFIA should make certain that performance and payment bonds are in place to protect the federal investment of loans and grants provided and to provide payment remedies to those supplying labor and materials on such projects.”

The Virtual Fly-In connected congressional offices with subject matter experts on surety to help them make key policy decisions as they formulate legislative solutions to address the need for water, broadband, and other types of federally-financed construction projects. Bidders participating in federal broadband auctions should be afforded the opportunity to provide other forms of security, such as performance bonds, rather than just letters of credit (LOC), which is the current form of security required by the federal government. “Internet Service Providers (ISPs), particularly those that are small businesses, may have difficulty committing the funds to obtain LOCs,” said Larry LeClair, NASBP Director of Government Relations. “A performance bond, on the other hand, protects precious taxpayer funds while allowing small business ISPs the ability to retain sufficient working capital in their businesses to meet day-to-day operations,” continued LeClair. “This would allow more ISPs to participate in various broadband auctions, and greater inclusion of small businesses means better competition.”

In nearly 100 virtual meetings, construction bonding experts met with policymakers and their staff to educate them on the significant role surety bonds play in advancing public infrastructure projects. These vital protections on construction projects for public entities include protecting taxpayers’ dollars, ensuring project completion, protecting local small business contractors and workers, and promoting economic growth.

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Founded in 1942, the National Association of Surety Bond Producers (NASBP) is the association of and resource for surety bond producers and allied professionals. NASBP members specialize in providing surety

bonds for construction contracts and other purposes to companies and individuals needing the assurance offered by surety bonds. www.nasbp.org

The Surety & Fidelity Association of America (SFAA) is a nonprofit, nonpartisan trade association representing all segments of the surety and fidelity industry. Based in Washington, D.C., SFAA works to promote the value of surety and fidelity bonding by proactively advocating on behalf of its members and stakeholders. The association's more than 425 member companies write 98 percent of surety and fidelity bonds in the U.S. For more information visit www.surety.org.