



THE SURETY &  
FIDELITY ASSOCIATION  
OF AMERICA



## FOR IMMEDIATE RELEASE

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### **SFAA and NASBP Host Successful Legislative “Fly-In”**

*Garner Support for Surety Bonding Requirements on WIFIA and Broadband Infrastructure Projects*

**April 3, 2023 (WASHINGTON, DC)** – The Surety & Fidelity Association of America (SFAA) and the National Association of Surety Bond Producers (NASBP) hosted a Legislative Fly-In on March 30, 2023. The 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. Their meetings focused on gaining support for H.R. 1740, which would strengthen Water Infrastructure Finance and Innovation Act (WIFIA) funded water infrastructure projects. In addition, they discussed adding common-sense bonding requirements to Rural Utilities Services (RUS) and other funding programs for broadband expansion infrastructure projects.

The meetings allowed SFAA and NASBP members to show their strong support for H.R. 1740, clarifying the bonding requirements under WIFIA, including Public-Private Partnership (P3) projects. “This 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 to states and localities and to provide payment security to those supplying labor and materials on such projects.”

For states, localities, and private entities receiving federal grants through RUS and other funding programs for rural broadband expansion projects, industry representatives advocated for the requirement of performance and payment bonds on any construction portion of such projects to protect the financial interest of the federal government as well as to provide payment security for subcontractors and suppliers.

The Fly-In connected congressional offices with subject matter experts on surety to help them make critical policy decisions as they formulate legislative solutions to address the need for water, broadband, and other types of federally-financed projects.

In nearly 100 meetings, construction bonding experts met with policymakers and their staff to educate them on surety bonds' significant role in advancing and protecting public infrastructure projects. These vital safeguards on construction projects for public entities include protecting taxpayers' dollars, ensuring project completion, protecting local small business contractors and workers, preserving construction jobs, and promoting economic growth. A recent study by Ernst & Young (EY), *The Economic Benefits of Surety Bonds*, quantifies these vital protections and concludes bonded projects outperform unbonded projects because of lower default rates, cost and time savings, and other risk mitigation benefits.

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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](http://www.nasbp.org)

**The Surety & Fidelity Association of America (SFAA)** is a trade association of more than 425 insurance companies that write 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. [www.surety.org](http://www.surety.org)