

October 17, 2011

The Honorable Bill Pascrell, Jr.
United States House of Representatives
2370 Rayburn House Office Building
Washington, DC 20515

Dear Representative Pascrell:

The Bond Dealers of America (BDA) supports HR 1802, the Sustainable Water Infrastructure Investment Act of 2011 and we applaud you for introducing it.

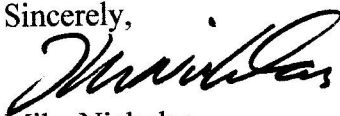
BDA is the only national trade association that represents middle-market securities dealers focused on the US fixed income markets. BDA member firms assist municipalities in meeting their financing needs for infrastructure and capital improvement projects that produce jobs and form the backbone of America.

As noted in several studies, there are over \$500 billion in water and sewer infrastructure construction and improvement projects that need to be undertaken in the next two decades to meet the requirements of the Clean Water Act. These projects are essential for communities across the country—and it is imperative that they be financed by the most cost-effective means possible. However, the private purpose of some of these projects and the federal tax code limit access to some financing options. In addition, the tax code currently limits the ability to expand water and sewer systems when the users are larger, jobs-producing enterprises. H.R. 1802 would remedy that situation.

Private activity bonds as a financing mechanism in conjunction with public/private partnerships provide the most efficient method to fund water and sewer projects. Lifting the current state volume cap for these bonds will insure that states and municipalities can undertake a greater number of these projects without incurring the high costs associated with taxable debt.

Rep. Pascrell, we applaud your efforts to increase access to private activity bonds to insure that the financing costs incurred by state and local governments are kept low while encouraging the construction and improvement of the nation's infrastructure. HR 1802 represents an important element in advancing these efforts and we offer it our strong support.

Sincerely,



Mike Nicholas
Chief Executive Officer