

# **BUILD AMERICA BONDS**

## **CREATING JOBS, GENERATING ECONOMIC GROWTH, IMPROVING INFRASTRUCTURE AND SAVING LIVES**

Build America Bonds will provide \$56 billion in new transportation infrastructure funding. This one-time bonding program will empower states and local governments to complete significant new projects by providing \$40 billion for highways, \$10 billion for public transportation and \$6 billion for rail. These funds will be in addition to current TEA-21 dollars and will allow cash-strapped states to create and sustain millions of jobs, generate significant economic growth, improve their transportation infrastructure and save lives through enhanced transportation safety without a tax increase.

### **KEY COMPONENTS OF BUILD AMERICA BONDS**

- **CREATE JOBS** – For every \$1 billion invested in federal highway and transit infrastructure, an estimated 47,500 jobs are created. Build America Bonds have the potential to create and sustain millions of quality, high paying jobs.
- **GENERATE ECONOMIC GROWTH** – For every dollar invested in federal transportation infrastructure, an estimated \$5.70 in economic activity is generated. Build America Bonds have the potential to generate more than \$319 billion in economic activity.
- **IMPROVE INFRASTRUCTURE** – Build America Bonds will generate \$56 billion in new transportation infrastructure funding in the United States. This one-time funding opportunity will empower states and local governments to complete critical transportation infrastructure projects.
- **SAVE LIVES** – More than 42,000 people lose their lives and nearly 3 million are injured each year in motor vehicle accidents, costing the country more than \$231 billion annually. Infrastructure improvements made possible through Build America Bonds will enhance safety and have the potential to save 12,000 lives each year that are lost due to poor road conditions and deteriorating bridges, not to mention additional lives saved and accidents prevented due to enhancements across other modes of transportation.

### **BACKGROUND**

Build America Bonds will raise \$56 billion for transportation infrastructure through a one-time bonding program. This will empower states and local governments to build significant road, public transportation and rail projects, including projects of National Significance and High Priority Projects. Additional bonds will be invested and used to repay the principal at maturity. In lieu of interest, bond holders will receive tax credits. The bonds will be available to corporate and individual investors for purchase at different denominations, providing all Americans with the opportunity to invest in upgrading America's transportation infrastructure. The intent is to encourage the country to show its confidence in the future as we lay the foundation for a prosperous 21st century.

The state or local grant recipients will be required to provide traditional matching funds, and the funding will be conditioned on state departments of transportation updating their approved construction materials and technology. More efficient and cost-effective materials and methods will maximize job creation and economic growth.

A diverse group of business, labor and transportation infrastructure associations are supporting the legislation, including: Associated General Contractors of America (AGC); American Association of State Highway and Transportation Officials (AASHTO); the National Stone, Sand and Gravel Association; U.S. Chamber of Commerce; National Heavy & Highway Alliance - Laborers' Union, Operating Engineers Union, Carpenters Union, Iron Workers Union, Plasterers' & Cement Masons Union, Teamsters Union, Bricklayers Union - and many others.