

Council of State Governments
National Association of Counties
National Association of State Auditors, Comptrollers, and Treasurers
National Association of State Treasurers
National League of Cities
The United States Conference of Mayors

July 9, 2010

The Hon. Max Baucus
Chairman, Committee on Finance
United States Senate
Washington, DC 20510

The Hon. Charles E. Grassley
Ranking Member, Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Grassley:

We are writing to you on behalf of the organizations listed above, which represent state and local governments throughout the United States, urging that the Build America Bonds (BABs) program be extended past the end of the current calendar year. We understand that such an extension was part of the American Jobs and Closing Tax Loopholes Act legislation which the Senate was unable to consider because of objections that had little or nothing to do with its BABs extension provisions. We further understand that this legislation would have extended the BABs program for two years beyond its scheduled end on December 31, 2010. We believe most strongly that such an extension is both prudent and necessary, and we urge you to identify another legislative vehicle to which to attach the BABs provisions. BABs have given a much-needed boost to state and local governments at a time when their budgets are under nearly-unprecedented strain. We fear that failure to take prompt action on a BABs extension may have immediate, unintended, and negative consequences for the market for BABs, both in the United States and overseas. We urge the Senate to adopt this extension of BABs, along with other provisions from the American Recovery and Reinvestment Act designed to ensure continued access for states and localities to the credit markets, so that state and local governments can continue to invest in our communities and promote job growth.

BABs have proven their worth as a stimulus for state and local government economic activity, and we believe it would be most unfortunate if the program were not extended because of considerations that have nothing to do with the BABs themselves. We are prepared to work with you and your staff on any changes that you might believe are necessary as a result of your work on the recent legislation.

Sincerely,

Council of State Governments, Chris Whatley, 202 624-5460
National Association of Counties, Michael Belarmino, 202 942-4254
National Association of State Treasurers, Jim Currie, 202 624-8592
National Association of State Auditors, Comptrollers, and Treasurers, Cornelia Chebinou, 202 624-5451
National League of Cities, Lars Etzkorn, 202 626-3173
The United States Conference of Mayors, Larry Jones, 202 861-6709