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Infrastructure Investment & Surety Bond Assurances

Background:

- Immediate improvements in the Nation's infrastructure will benefit taxpayers' quality of life, create needed jobs, and stimulate economic growth;
- Infrastructure investment creates construction jobs at family-wage rates that are needed in the near term;
- Infrastructure investment produces long-term benefits in terms of economic productivity and growth to increase the United States' global competitiveness; and
- Currently, the United States spends about 1% of its Gross National Product (GNP) on infrastructure, while India spends 3.5%, the European Union spends 5%, and China invests 9% of its GNP on infrastructure.¹
- Surety bond requirements at all levels of government will play a crucial role in the Nation's investment in infrastructure by:
 - Ensuring that interested bidders are qualified to undertake these public works projects,
 - Taxpayer funds will be preserved in the event of contractor default, and
 - Subcontractors and suppliers will have a payment remedy in the event of contractor bankruptcy or nonpayment.

NASBP Message:

- The U.S. Congress must move quickly to enact legislation to spur economic growth through significant investment in the Nation's infrastructure.
- Funding for construction projects is critically needed involving the rehabilitation and repair of existing infrastructure with projects beginning within 120 days or less.
- Statutory bonding requirements in the form of bid, performance, and payment bonds from certified or admitted corporate sureties provide the necessary assurances so America's investment in public infrastructure projects is realized and taxpayer funds are protected.

Who is the National Association of Surety Bond Producers (NASBP)?

Established in 1942, NASBP (www.nasbp.org) is a national organization of professional surety bond producers and brokers, representing over 5,000 personnel who specialize in surety bonding, issuing bid, performance, and payment bonds for the Nation's construction projects. Bond producers bring value to the contractor-surety relationship, and surety bonds bring value to the Nation's construction projects. Bond producers virtually touch every contractor bidding or proposing on public works projects.

¹ Testimony of Doug Black, CEO, Oldcastle Materials, Hearing on Investing in Infrastructure: The Road to Recovery, U.S. House Committee on Transportation and Infrastructure, October 29, 2008.

