

# Surety & Fidelity WEEKLY

 **The Surety & Fidelity**  
ASSOCIATION OF AMERICA  
*Protecting Workers, Taxpayers & Businesses*



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## Upcoming Meetings & Events

**RiskStream Surety Lab Workshop on Powers of Attorneys** on March 24, 2021. [Registration Link](#).



**Joint Legislative Fly-In with SFAA and NASBP** on March 25, 2021.

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## President Biden to Focus on Infrastructure Package, Possible Funding Measures

The White House is looking ahead to the next phase of coronavirus recovery, which includes a comprehensive infrastructure package referred to as President Biden's "Build Back Better" plan. "It not only creates jobs, but it makes us a hell of a lot more competitive around the world if we have the best infrastructure in the world," President Biden said. Transportation is expected to be a key part in the plan, and mileage fees are being considered as a potential funding strategy. According to Bloomberg, the by-the-mile tax is growing support as a possible funding option, as it would be more equitable than a gas tax and account for the growing number of electric vehicles on the road. E&E News reports that while Speaker Nancy Pelosi (D-CA) did not offer a specific option for financing the package, she said that several pay-fors are on the table, including new tax revenue or user fees, federal bond programs and funding in the annual appropriations bills. "Maybe more than at any point since the gas tax was instituted, it feels like so many different possibilities are on the table," U.S. Transportation Secretary Pete Buttigieg said in a recent speech to the American Association of State Highway and Transportation



Officials. As the Biden administration prepares to push for a massive infrastructure package, many transportation advocates are hopeful that a vehicle-miles-traveled program could help close the federal highway funding gap.

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## The Scollick Case - SFAA's Amicus Curiae Brief

On March 11th, the US District Court in the Scollick case entered an order accepting SFAA's Motion to file an Amicus Curiae Brief. The Amicus Brief was officially entered on March 12, 2021 and can be found at the following [link](#).

SFAA filed its Motion for Leave to file an Amicus Curiae Brief along with the brief in the Narula vs. Scollick litigation on February 24, 2021. The suit alleges False Claims Act violations by the contractor based on misrepresentations in qualifying as a service-disabled veteran owned small business (SDVOSB) on federal set aside contracts and by the two sureties arguing the sureties knew or should have known of the misrepresentations through their underwriting.

SFAA submitted an amicus curiae brief focusing on the following four topics:

1. "The government's responsibility for policing its set aside eligibility standards;
2. Surety obligations in connection with the issuance of Miller Act bonds;
3. The purpose of surety underwriting; and
4. Financial and market implications to the federal government and construction industry if there is an extension of False Claims Act liability to sureties for set aside violations by their bonded contractors."

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## State Legislators Introduce Over 100 Transportation Funding Bills in 2021, SFAA Updates Priority Bills Report



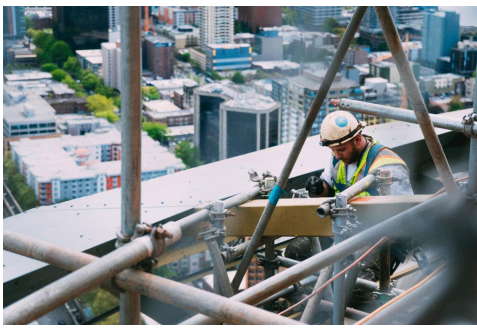
The Surety & Fidelity Association's government affairs team is monitoring hundreds of transportation funding bills that have been introduced in state legislatures across the country. State lawmakers in 32 states have introduced 113 transportation funding measures in the first two months of 2021, according to a [recent report from ARTBA's Transportation Investment Advocacy Center](#). The state legislators are seeking bridge construction and increased funding measures to keep up with investment needs, economic disruptions caused by COVID-19, and uncertainty about the next federal surface transportation reauthorization (ARTBA-TIAC).

These types of funding legislation being explored (ARTBA-TIAC):

- 20 bills in 13 states to increase motor fuel taxes;
- 17 bills in 13 states to implement or raise fees on electric vehicles;
- 12 bills in nine states to implement or test a road usage charge system;
- 17 bills in nine states to increase other recurring revenues; and
- 21 bills in 13 states to address local funding or non-funding issues such as transportation fund lockboxes or task forces.

SFAA has also been tracking a slate of surety issues across the country. As a resource to its members, SFAA provides a detailed tracking report of priority legislation which can be found [here](#) and is updated every two weeks. The association remains committed to promoting responsible bonding laws and regulations across all states and jurisdictions.

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## SFAA Strongly Supports Bill Providing Essential Protections on All Federally Financed Projects Receiving TIFIA Funds

The Surety & Fidelity Association of America commends Senator Chris Van Hollen (D-MD), Senator Mike Rounds (R-SD), Congressman Stephen Lynch (D-MA) and Congressman Troy Balderson (R-OH) for the introduction of the

“Promoting Infrastructure by Protecting Our Subcontractors and Taxpayers Act.” This legislation provides essential protections for workers, suppliers and contractors by requiring payment protection on federally financed infrastructure projects receiving Transportation Infrastructure Finance and Innovation Act (TIFIA) loans, including public-private projects (P3s).

“Bonding TIFIA-financed P3 projects will protect taxpayers’ dollars, ensure project completion, protect local small business contractors and workers, and promote economic growth,” said Lee Covington, president and CEO of the Surety and Fidelity Association of America. “TIFIA should be modernized to include the same payment and performance requirements that protect all other federally funded infrastructure projects.”

Read the [full press release](#).

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### Register Today: Surety Lab Workshop on Powers of Attorneys



SFAA joined a newly-formed blockchain working group created by The [Institutes RiskStream Collaborative™](#), the risk management and insurance industry’s largest enterprise-level blockchain consortium. The working group is focused on streamlining the power of attorney registration and verification process within the surety industry. Participants will help improve the current processes by using blockchain technology. Carriers, agencies/brokers, reinsurers, industry trade associations and technology solution providers are welcome to attend.

#### Register for the upcoming sessions:

Surety Power of Attorney Lab - Session 2 of 3  
When: **Mar 24, 2021** 09:30 AM Eastern Time (US and Canada)  
[Registration Link for Session 2](#)

Surety Power of Attorney Lab - Session 3 of 3  
When: **Apr 28, 2021** 09:30 AM Eastern Time (US and Canada)  
[Registration Link for Session 3](#)

After registering, you will receive a confirmation email containing information about joining the meeting.

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### Updated Resources Available to Members



The **Law Library (Case Summary Database)** can be found [here](#).



**End-of-Session Reports** can be found [here](#).



**Proposed & Adopted Regulations** can be found [here](#).



**New Bonding Opportunities** can be found [here](#).

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*The Surety & Fidelity Association of America (SFAA) is a trade association of more than 425 insurance companies that write over 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.*