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ACI-NA, EFC, AAPA Urge AMT Relief Be Made Permanent

WASHINGTON— Airports Council International- North America (ACI-NA), the American Association of Port Authorities (AAPA), and the Education Finance Council (EFC) have reached out to leaders on the Senate Finance Committee and House Ways and Means Committee asking for support in permanently extending the Alternative Minimum Tax (AMT) exemption for private activity bonds (PAB), while allowing for full refinancing of current debt.

In the letters sent to Senate Finance Committee Chairman Max Baucus (D-MT) and House Ways and Means Committee Chairman Charles Rangel (D-NY), the coalition stated:

Since the passage of H.R. 1, issuers of student loan, airport, and seaport bonds have all benefited from this exemption, which has enabled them to both locate buyers for their bonds and to take advantage of lower interest rates. Ultimately, the success of this provision in stimulating the economy in just a few short months has been widespread, running the gamut from helping students secure low interest student loans for college to making safety improvements in our national infrastructure that have helped create new jobs.

“It is essential that ACI-NA, AAPA and EFC work together on this important issue, as this collective support can emphasize the importance of extending this necessary provision,” said ACI-NA President Greg Principato. “The AMT relief created jobs through construction and helped students finance their higher education, and it is critical to ensure that this provision becomes permanent. As a coalition, we can help put the economy back on track and keep it moving forward.”

“A very inexpensive way to reduce the cost of college for many students around the Nation is to eliminate the AMT on student loan bonds issued under the private activity cap,” said EFC President Peter Warren. “These bonds are all issued by nonprofit entities, whose reduced cost of funds would translate into lower interest rates for the students to whom they lend. More students would be able to attend the school of their choice and to graduate with a more manageable debt burden.”

AAPA President and CEO Kurt Nagle stated, “U.S. public ports, whose goods movement activities create more than 13 million American jobs and generate nearly a quarter of the nation’s GDP, are disadvantaged in the issuance of private activity bonds due to the Alternative Minimum Tax liability incurred by bond purchasers. By eliminating this impediment, it will not only make it easier for port authorities to fund crucial port infrastructure projects that enhance trade, it will improve their ability to create jobs and attract business that stimulates the economy.”

H.R. 1, the American Recovery and Reinvestment Act, included a provision that exempted PABs from the AMT for the calendar years 2009 and 2010. The provision also allowed refinancing of debt issued from 2003-2008 to be refinanced into non-AMT debt during this same time period.

[Click here](#) to view the letter to Senate Finance Committee Chairman Max Baucus.

[Click here](#) to view the letter to House Ways and Means Committee Chairman Charles Rangel.

About ACI-NA

Airports Council International - North America represents local, regional and state governing bodies that own and operate commercial airports in the United States and Canada. ACI-NA member airports enplane more than 95 percent of the domestic and virtually all the international airline passenger and cargo traffic in North America. More than 400 aviation-related businesses are also members of the association, which is the largest of the five worldwide regions of Airports Council International.

About AAPA

Founded in 1912, the American Association of Port Authorities is a trade association which represents more than 160 public port authorities in the United States, Canada, the Caribbean and Latin America. In addition, Association members include more than 335 sustaining and associate members -- firms and individuals with an interest in the seaports of the Western Hemisphere. AAPA is dedicated to serving deep draft public ports by enhancing port management professionalism and advocating issues critical to public seaports.

About EFC

The Education Finance Council's voting membership consists of nonprofit and state-based student loan providers that participate in the Federal Family Education Loan Program (FFELP); many also finance private student loans. EFC's mission is making college more affordable. Together with its members, EFC works to expand access to higher education by ensuring the availability of student loan funds while striving to make paying for college easier and less expensive for all students and families. EFC's affiliate membership includes guaranty agencies, lenders, rating agencies, insurers and investment bankers.

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