

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

CAROLINE L. HARRIS  
VICE PRESIDENT, TAX POLICY  
AND CHIEF TAX POLICY COUNSEL  
ECONOMIC POLICY DIVISION

ED MORTIMER  
VICE PRESIDENT, TRANSPORTATION  
INFRASTRUCTURE  
EXECUTIVE DIRECTOR, AMERICANS FOR  
TRANSPORTATION

June 15, 2018

Mr. Spence Hanemann  
Attorney  
CC:PA:LPD:PR (REG-106977-18)  
Room 5203  
Internal Revenue Service  
P.O. Box 7604  
Ben Franklin Station  
Washington, DC 20044

*Via Federal eRulemaking Portal*

RE: Arbitrage Investment Restrictions on Tax-Exempt Bonds

Dear Mr. Hanemann:

The U.S. Chamber of Commerce strongly applauds REG-106977-18, which proposes amendments to the tax regulations on the arbitrage investment restrictions under §148<sup>1</sup> to allow for greater capital investment in public infrastructure.

The Chamber has long championed the need for an infrastructure package that modernizes our outdated and crumbling infrastructure system. The Chamber has proposed a variety of options that can help increase investment tools in financing and funding infrastructure, including building upon existing federal credit instruments such as Private Activity Bonds (PABs) and expanding eligibility and raising caps on PABs. Accordingly, the Chamber appreciates this proposed clarification of the regulatory definition of investment type property under Regs. §1.148-1(e)(1). It will help ensure investment in public infrastructure is not unnecessarily impeded.

The Chamber appreciates the work of the Treasury and Internal Revenue Service to provide increased access to capital for vital public infrastructure projects. We look forward to working with you to continue to update our tax code and encourage increased investment in our communities.

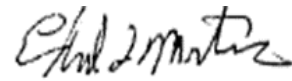
Sincerely,

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<sup>1</sup> Unless otherwise noted, all section references are to the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.



Caroline L. Harris



Ed Mortimer

CC: David J. Kautter, Assistant Secretary, Office of Tax Policy, U.S. Department of the Treasury

Derek Kan, Under Secretary, Office of the Under Secretary for Transportation Policy, United States Department of Transportation

Alexander H. Herrgott, Associate Director for Infrastructure, White House Council on Environmental Quality, Executive Office of the President