

Session

The Latest on BABs (Build America Bonds)

Speakers

Jim Fuller

Senior Vice President and Chief Financial Officer
MEAG Power, Atlanta, GA

J. Ben Watkins

Director, Division of Bond Finance
State of Florida, Tallahassee, FL

Kemp Lewis

Managing Director
Morgan Keegan, Memphis, TN

Dave Abel

Vice President and Director of Quantitative Services
William Blair and Company, Chicago, IL

- I. Jim Fuller, Moderator/Speaker
 - A. Broad Overview of BABs and Direct Subsidy Bonds
 - B. MEAG's Experience
 - C. Introduction of Speakers

- II. Ben Watkins, Speaker
 - A. Thinking About BABs: Coming Full Circle
 - B. Risks
 - C. Rewards
 - D. Regulatory Initiatives
 - E. Policy Affect of BABs/direct subsidy bonds on the Tax-exempt Bond Market

- III. Kemp Lewis, Speaker
- IV. Dave Abel, Speaker
 - A. Overview of BABs and Direct Subsidy Bond Programs
 - 1. Differences Between Direct Subsidy Bonds and Tax-Exempt Bonds
 - a. Fundamentals
 - b. Legal Responsibilities/Different Than Tax-Exempt Bonds
 - 2. Direct Subsidy Bond Programs
 - a. BABs
 - b. Recovery Zone Bonds
 - c. Qualified Zone Academy Bonds and Qualified School Construction Bonds
 - d. Clean Renewable Energy Bonds and Qualified Energy Conservation Bonds.

 - B. Summary of BABs Issuance to Date
 - 1. Who Has Been Issuing
 - 2. Who Has Been Buying
 - 3. Issuance Method: Competitive vs. Negotiated
 - 4. Quantitative Effect on TEB Market

 - C. Understanding BABs Pricing and Trading
 - 1. Pricing

2. Trading
3. Credit Ratings
4. Call Options
5. Take Down

- D. Future of BABs
1. Congressional Action
 2. Subsidy Rates
 3. Expanding the Use of BABs
 - a. Refundings
 - b. 501c3s, Private Activity Bonds, etc.
 4. Using Tax Credit BABs
 5. Other Direct Subsidy Bond Programs
 - a. QSCBs

V. Questions/Panel Discussion

- A. Will the changes in the subsidy amount affect the appetite for BABs?
- B. Will we see more competitive sales for direct subsidy bonds?
- C. How can issuer's concerns with the offset problem be resolved?
- D. Is there concern in the marketplace regarding IRS and SEC attention/inquiries to BAB issuances?
- E. Have underwriting spreads evened out?
- F.

VI. Audience Questions and Answers/Wrap-Up, Jim Fuller