



# CEO REPORT

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# OVERVIEW

- AGC at a Glance
- Observations on Trump Administration
- AGC Legislative Agenda
- Playing Offense on Regulatory Field
- AGC Member/Chapter Services
- Questions/Discussion

# AGC AT A GLANCE

# AGC AT A GLANCE

- Federation with 92 chapters
- Represents the entire industry
- 67 FTEs/2 PT
  - Avg. tenure = 10.5 years
  - Avg. senior staff tenure = 19.5 years
  - 2 significant retirements at end of year
    - COO Dave Lukens (31 years)
    - Chris Monek (40 years)

# AGC FINANCES

- Expected 2017 revenue: \$21.03 M
  - Chapter dues = 45.2%
  - Mgt conferences = 12%
  - Product line/Credentialing = 11%
  - Convention = 10%
  - Sponsorships/affinity = 16%
- Expected 2017 expenses: \$20.88 M
  - Salaries/benefits = 50.25%
  - Non-dues expenses = 12.4%
  - Convention = 9%
  - Meetings = 8%

# OBSERVATIONS ON TRUMP ADMINISTRATION

# TRUMP ADMINISTRATION

- Being run like a bad family owned small business
  - Autocratic leader; family members with broad authority
  - Undermines/humiliates senior team
    - Preibus: “I was given 70% of the authority and 100% of the accountability”
    - Kushner has lead over Tillerson on major foreign policy issues
    - Sessions should not have recused himself on Russia probe
  - Difficult to recruit for senior positions (lobby ban)
  - No clear direction from the top
  - No message discipline: “infrastructure press conference”
  - Lack of delegation
    - Reviewing applicants for 3<sup>rd</sup> tier Department jobs

# PACE OF ADMINISTRATION APPOINTMENTS

- While Senate Dems have used all options under the rules to delay confirmations, there is plenty of blame to go round
- 600 non-judicial positions need Senate confirmation
- As of 9/14:
  - 306 no nominee named
  - 15 announced nominees not formally submitted
  - 158 formally nominated
  - 121 confirmed
- Lack of political appointees hinders policy development and execution and our opportunities to make our case



# REACHING A DEAL IS THE OBJECTIVE....

- Agreement with “Chuck & Nancy” on hurricane relief, debt ceiling
- Reaction to frustration with GOP leaders
- Not well planned on downside risk
  - Requiring another vote on debt ceiling in December or soon thereafter
- Demonstrates Trump’s lack of political ideology
- Is he culturally and personally more comfortable with Dems?
- Does this put heat on House Freedom Caucus to get good deal not their deal on legislation?
- Does Trump force bipartisan discussion on tax reform, infrastructure?

# AGC LEGISLATIVE AGENDA

# BIG WEEK in DC

- Need budget resolution by 9/30 to start reconciliation process
  - Avoid Senate filibuster
  - Vehicle for tax reform
  - But 10 year window for tax cuts, not permanent
- House Ways and Means meeting today
- House “retreat” on Wednesday
- Senate taking up Graham-Cassidy health care repeal bill
  - Is there 50 votes?
  - Can House GOP find 218 votes?

# AGC TAX REFORM OBJECTIVES

- Lower the rates
  - Bipartisan recognition that corporate rates make US firms less competitive
  - AGC pushing for “S” corp parity
- Simplify the tax code
- Eliminate barriers to economic growth
  - Repeal the death tax
  - Eliminate the Alternative Minimum Tax
  - Reduce capital gains, dividend and interest income taxes

# AGC TAX REFORM OBJECTIVES

- Protect existing infrastructure financing programs
  - Muni bonds
  - Private activity bonds
- Fix the Highway Trust Fund
  - Infusion needed by 2020
  - Does Congress solve a problem before a deadline?
  - Multiple ways to do it
    - Repatriation of foreign profits
    - Gas tax
    - Customs fees, excise taxes
    - Other?
- Funding for Trump Infrastructure Plan (mixed signals)

# TRUMP INFRASTRUCTURE PLAN

- Quietly unveiled in budget/infrastructure broadly defined
- Components (still a moving target)
  - Making targeted federal investments (\$200 B/10 years)
  - \$15 B for transformative projects
  - \$25 B for rural projects
  - Encouraging self-help for local & state projects
  - Reform the permitting process from 10 years to 2 years (AGC chart)
- Current federal expenditures = \$120 B/year

# POLITICS OF THE PLAN

- Trump: “Infrastructure should be easy!”
- Really?????
  - How do you fund it?
  - What are the benefits for GOP districts?
    - Dems represent urban areas where PPPs can deliver revenue
  - How many GOP members got reelected on spending more \$ on infrastructure?
  - Commerce Dept. infrastructure panel disbanded
  - Dems so far have demonstrated they aren’t going to lift a finger to help
    - Even more so if tax reform passes on party lines

# INFRASTRUCTURE WORKING GROUP

- Broad-based business/labor/governmental entity coalition
  - Founded by AGC and NAM
  - Objective to get a bigger pie/others can try to get their slice
  - Over 70 groups at first meeting in May
  - For now, info exchange
  - To grow into PR support for Congressional action
  - Need to be made permanent



# REGULATORY AGENDA

# REGULATORY ROLLBACK SUCCESS

- Final Rules Repealed
  - Blacklisting
  - OSHA Volks Rule (Injury & Illness Recordkeeping SOL)
- Final Rules Delayed
  - Silica (9/23/17) plus one month of “soft” performance
  - OSHA Electronic Injury & Illness Recordkeeping (no new date suggested for compliance)
  - Joint employer doctrine
- Back to the drawing board
  - EPA “waters of the US”

# LABOR/HR REGULATORY ISSUES

- Trump and the building trades
- PLA Executive Order
- OSHA Silica Std
- Paid Leave for Federal Contractors
- Paid family and medical leave
- OSHA drug testing language
- Davis-Bacon Reform
- Multiemployer Pension Reform

# MEMBER/CHAPTER SERVICES

# WORKFORCE

- Comprehensive workforce plan
  - Immigration reform
- Clarify Trump E.O. on apprenticeship programs
- PR activities to highlight challenges/promote solutions
- Go Build
- Build (your state) websites
- Perkins Act funding to expand CTE opportunities
- Working with Administration to tie workforce to infrastructure plan
- Promoting chapter best practices and ideas

# AGC MEMBER DISCOUNT PROGRAMS

- Partnerships with 15 firms on industry-essential products/services
- Members collectively save +\$10 M annually
- GM, Ford, Fiat Chrysler
  - 10,000 vehicles purchased
  - Avg. savings of \$750
- Fedex: \$6 M packages through program = \$1 M in member savings
- Fuel cards: participating users see avg. of \$975 in savings
- Do your members know about these programs???????
- [www.agc.org/SAVE](http://www.agc.org/SAVE)

# AGC AS THE INDUSTRY LEADER

- CONSENSUS DOCS
- BIM Forum
- AGC Learning (34 chapters as testing centers)
  - Lean Construction Education Program
    - 3500 units taken so far this year
    - 538 have earned CM-Lean credential
  - BIM Education Program
    - Over 1000 units taken this year
    - 713 hold CM-BIM credential
  - AGC Webinars: 54 this year/2121 participants
    - Silica last week had nearly 600 participants

# AGC DIVERSITY & INCLUSION INITIATIVE

- D & I Forum created last year
- Is happening organically: look at your student chapters
- Objective: to demonstrate that AGC is the home for everyone in the industry
  - AGC grows and protects companies
  - AGC provides opportunities for education and career growth
- AGC D & I prizes for chapters and firms implemented this year
- Session on the business case for D & I at this meeting



