



# REPORT TO FEDERAL CONTRACTORS CONFERENCE

STEPHEN E. SANDHERR  
CEO

APRIL 26, 2010





# SCOPE

- LABOR
- PROCUREMENT
- ENVIRONMENT
- HEALTH CARE
- MARKETS



## CARD CHECK

- Unions short of 60 votes in Senate
- --ongoing efforts to “compromise”
- --”compromise” includes mandatory arbitration & restrictions on employer communications
- --unions will demand Senate vote
- --AGC making the case that compromise not OK



# OSHA

- **Inspection & Enforcement/No collaboration**
- **Participated in “OSHA Listens” panel**
- **Aggressive regulatory agenda**
- **--Ergonomics**
- **--Expansion of general duty clause**
- **--Silica exposure**
- **--Crane and derrick standards**
- **--Confined spaces**



# IMMIGRATION REFORM

- Dems pushing for Hispanics
- AGC principles:
  - --secure borders/federal preemption
  - --earned legalization
  - --retain “knowing” standard
  - --no debarment; no vicarious liability
  - --allow for future flow
- Discussion draft problematic



## GMLA's

- “encourage” PLA’s on projects >\$25 M
- regs issued this month
- Where required, PLA can be submitted:
  - --when offers are due;
  - --prior to award, by the apparent successful offeror; or
  - --after award
- Requires settlement/not good faith bargaining



## GMLA'S

- FAR accepted AGC position that PLA cannot be required post award
- AGC has been successful in raising doubts on specific projects by utilizing FOIA strategy
- Ask: availability of union labor, analysis of savings and efficiencies; who did you consult with, etc.



# “HIGH ROAD” CONTRACTING RULES

- Administration working on rules that would encourage federal contractors to pay higher wages and benefits
- Could also blacklist contractors that have labor, environmental, tax violations or *allegations* of same
- AGC has expressed concern and awaits issuance of rule



# ENVIRONMENT

- AGC Partnership cancelled
- EPA requested \$18 M for more enforcement
- Regulatory agenda:
  - --Coal combustion waste
  - --Lead paint removal
  - --ELG's for stormwater permits
  - --revised NAAQS standards



## CLIMATE CHANGE

- House passed bill; Senate trying
- EPA engaging in regulatory effort
- --EPA issuing building permits
- --EPA planning transportation
- --higher material costs
- AGC backing legislative effort to halt EPA regs
- AGC enlisted industry groups
- AGC seeking tax on transportation to go to HTF



## DIESEL EMISSIONS

- CA off-road diesel rules
- --mandatory replacement of diesel fleet
- --other states can adopt
- --AGC study on emissions showed targets met
- Clean Air Task Force Agreement
- --AGC worked with environmentalists on principles for highway reauthorization
- --post award/change order/100% reimburse



# GOV'T TAKEOVER OF HEALTH CARE

- AGC objectives: more access, less costs, retain quality
- AGC opposed higher taxes, employer mandates
- AGC defeated effort to reduce employer mandate for construction to 5 employees not 50
- AGC participated in US Chamber ad campaign
- AGC polled in 11 targeted House districts
- AGC webinar on May 6



## ECONOMIC STIMULUS

- AGC supported \$135 B in infrastructure and \$210 B in tax cuts
- AGC commissioned GMU economic study
- AGC developed coalition on building projects with AIA, specialties, building trades
- AGC praised investment; criticized execution
- Led fight on Buy America protectionism



# CONSTRUCTION RECOVERY PLAN

- *Build Now for the Future: A Blueprint for Economic Growth*
- 30 separate policy recommendations designed to increase both public and private construction
- Tax cuts & incentives, regulatory reforms, removal of restrictions on investment
- Designed to answer the question: “What would you do?”



# HIGHWAY REAUTHORIZATION

- Program expires 12/31/10
- \$35 B transferred to HTF last 2 years
- \$450 B/6 years discussed/funding elusive
- Policy challenges
  - --"livability"
  - --increased transit share
  - --restrictions on new capacity



## CLEAN WATER TRUST FUND

- Attempt to create reliable funding source for waste water and drinking water infrastructure gaining bipartisan momentum
- User fee funded by levy on pharmaceuticals, bottled drinks, “flushables”
- Water projects big winner in stimulus demonstrating attention being brought to large scale needs



## AGC STRATEGY

- Be the leader: we own every issue affecting construction
- Retain our principles
- Enlist our allies (Congress, business groups, and, where appropriate, labor)
- Stick to the facts, avoid hyperbole, be consistent
- Enlist our members

