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**FOR IMMEDIATE RELEASE**  
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**REMARKS BY STEPHEN E. SANDHERR**  
*Construction Industry Recovery Plan Media Call*

Good morning, thank you for dialing in today. I am speaking to you from Reno-Sparks, Nevada, where it is easy to see what it means when we say that while the nation continues to suffer through a recession, the construction industry is experiencing a depression.

This year investments in construction are likely to drop by as much as 193 billion dollars, an 18 percent drop, compared to last year. Construction unemployment is 16.5 percent, nearly twice the national average. Construction jobs account for five percent of the workforce nationally, yet 20 percent of the jobs lost during the recession have been in construction.

No area has been hit harder by this construction crisis than Reno-Sparks, Nevada.

A new analysis of federal employment data we are releasing today shows that more than one out of every three construction jobs in Reno, 35 percent, disappeared between August 2008 and 2009. Sadly, Reno-Sparks lost a greater share of its construction workforce than any other area.

Reno may be the worst off, but it is far from alone. All but 13 of the nation's 336 largest communities saw declines in construction employment over the last year. Four areas, Reno; Duluth, Minnesota; Tucson, Arizona; and Wenatchee, Washington experienced declines in their construction workforce in excess of 30 percent.

Even the communities that managed to avoid declines in construction employment have little to crow about. Taken together, those 13 areas saw a total increase in construction employment of 2,800 people over the past year. During that same time, the industry lost over one million jobs. Only one community even saw a double digit increase – Columbus, Indiana's 14 percent increase. The next highest was Anderson, Indiana's 6 percent.

The problems facing the construction industry aren't just devastating construction firms and construction workers. These problems are crippling our broader economy. That is because construction spending accounts for 8 percent of gross domestic product and is responsible for one out of every 10 manufacturing shipments and one out of every 12 machinery shipments.

Simply put, you can't fix our economy until you fix the construction industry. That is why the Associated General Contractors of America has prepared a new blueprint for reinvigorating the nation's construction industry. This plan, "Build Now for the Future: A Blueprint for Economic Growth," outlines a series of commonsense incentives, tax credits and policy changes designed to stimulate new private sector demand for construction.

Given that private construction activity accounts for 70 percent of the market, getting work started again on projects like the one behind me is vital. That is why our plan calls for repealing the alternative minimum tax and increasing and extending a series of tax credits and cuts – including the 2001 and 2003 tax cuts – to boost investments in real estate development.

We're also calling for new incentives on global investment in real estate to make it easier for international investors to put Americans back to work. And we're calling on Congress to restore the President's "Fast Track" trade promotion authority and remove trade barriers to boost demand for new domestic manufacturing and shipping facilities.

The plan also calls for pragmatic new public and private investments in infrastructure that will boost construction while enhancing our ability to compete globally for decades to come. This includes doubling federal investments in transportation infrastructure, renovating dated and inefficient federal facilities and investing in clean water, flood control and navigation projects.

We also need to restore the lost purchasing power of transportation user fees, encourage more public-private partnerships, expand the Build America Bonds program and exempt construction activity from the private activity bond cap.

The plan also identifies regulatory revisions that will allow construction investments to flow more rapidly and be used more efficiently. These include streamlining environmental reviews, accelerating licensing of new nuclear power plants, and establishing a federal multiyear capital budget for public works. And we need to do more to encourage green construction, while avoiding counterproductive measures like government mandated labor agreements and Buy American requirements.

Of course, a plan this ambitious doesn't come for free. We've gone to great lengths, however, to pair new costs with new revenue. Doing away with the AMT and extending tax cuts will be partly offset by increases in income, sales and corporate tax receipts that will come with the increased business activity this plan will stimulate.

Likewise, our plans to boost infrastructure investment can easily be funded through a combination of user fee increases, new trust funds, private investments and new bonding authority. But more important than specific costs is the broader impact reviving construction will have on our economy. Every billion dollars worth of nonresidential construction activity supports over twenty-eight thousand jobs, boosts GDP by 3.4 billion dollars and raises personal earnings by 1.1 billion dollars.

Putting this plan in place may not be easy, but doing so will unleash a wave of new construction activity, employ thousands, stimulate new investments in equipment and supplies and lay a foundation for long-term economic efficiencies and prosperity. That's something Reno Sparks and the rest of the country could use a lot more of.

Before we open things up for questions, I would like to introduce some other folks we asked to join this call today to help answer your questions.

Many of you know Ken Simonson, our chief economist, who is on the call. Doug Pruitt, the Chairman and CEO of Tempe, Arizona-based Sundt Construction as well as the president of AGC, is with us too.

Art Daniel, CEO and President of A.R. Daniel Construction in Cedar Hill, Texas and Don Weaver of El Paso, Arkansas-based Weaver Bailey Contractors also are on the call today.

Between Ken and the three contractors on the call, they've seen first-hand the data and the reality of the construction depression and can vouch for why acting on this plan is so critical. Now we would be happy to answer any questions you might have.

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