

About AED

Associated Equipment Distributors (AED) is the trade association representing independent, factory-authorized companies involved in the distribution of construction, mining, forestry, energy, industrial, and power generation equipment in the United States and Canada. AED's U.S. dealer members employ approximately 47,000 people at more than 2,800 facilities throughout the country. The estimated \$27 billion that U.S. AED members earn annually from equipment sales, rental, and product support generate \$86 billion in direct, indirect, and induced economic activity nationwide. Associated Equipment Distributors serves:

- Independent distributors that sell, rent, and provide aftermarket support for construction equipment and related equipment and products
- Manufacturers of construction and related equipment and products
- Suppliers of business services, including finance, insurance, data processing/ERP and others

We enhance the ongoing success and profitability of our member companies by creating and providing high quality products, services, and information, including:

- Public policy advocacy – AED is our members' voice in Washington
- Industry education, training, and career development
- Research, analysis, and information on markets, economic and business trends, and performance benchmarks
- Events and opportunities that enhance networking, facilitate business-to-business interaction and cooperation, and cultivate sources of capital and finance
- Public relations that promotes knowledge, understanding, and enhancement of the evolving role of distributors in North American markets

We believe in and encourage the highest business standards and ethical behavior. We are committed to strengthening the free enterprise system. We encourage synergy and cooperation among individuals and companies when pursuing the industry's common interests. We value continuous improvement and lifelong learning, and we encourage and support members of the industry in their active participation in the processes of government.



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2015 AED Legislative Priorities

114TH CONGRESS/1ST SESSION





Restore certainty to federal transportation infrastructure investment

The Highway Trust Fund (HTF) is facing near-term insolvency, putting roughly \$2.4 billion in equipment market activity and 4,000 dealership jobs at risk. At the end of May 2015, MAP-21, the most recent highway authorization bill (i.e., multiyear investment blueprint), expires and the HTF is set to go broke. The uncertainty surrounding the federal highway program has negative implications for the nation as a whole and the construction industry in particular. State transportation officials have had difficulty planning and contractors, with no clear sense of what their future business will be, are reluctant to invest in new equipment. At a time when the economy is recovering and traffic congestion is costing the U.S. economy more than \$120 billion per year in wasted time and fuel, Congress must create new user fee revenue streams to put the HTF back on solid fiscal footing for the long-term and pass a new multiyear authorization bill that sets robust road, bridge, and transit investment levels. America is facing a surface transportation infrastructure crisis that has enormous economic, social, public safety, national security, and environmental consequences. Consequently, Congress must act immediately to address the HTF insolvency and increase investment to lay a solid foundation for America's future economic growth.

Simplify the tax code to encourage capital investment and growth

With compliance costs constantly increasing, lawmakers must restore certainty and simplicity to the tax code. Congress should pass tax reform that simultaneously benefits corporations and pass-through entities to ensure all businesses benefit from improvements to the Internal Revenue Code. Encouraging capital investment by business should be an overriding tax reform objective. With that in mind, Congress should reject proposals to extend cost recovery periods and protect pro-investment tax policies such as Sec. 1031 like-kind exchanges and last in, first out (LIFO) accounting. Congress should also permanently increase higher small business expensing levels and reinstate the 50

percent depreciation bonus to encourage capital investment. Parceled together, a highway bill, bonus depreciation, and higher Sec. 179 levels would be powerful medicine to bolster the construction, distribution, and manufacturing sectors and put the economy on track for years of prosperity.

Ensure needed investment in water infrastructure programs

Government and industry studies have estimated the nation's water infrastructure needs over the next two decades in the hundreds of billions of dollars. The American Society of Civil Engineers gave the nation's drinking water and wastewater infrastructure a D-, the lowest grade of any infrastructure category. Investment in water infrastructure projects is a win-win for everyone, including government. Researchers at the College of William & Mary found that over 20 years, investing \$1 in sewer systems and water infrastructure generates \$2.03 in tax receipts (\$1.35 for the federal government). AED encourages Congress to preserve and increase funding for the Clean Water and Safe Drinking Water State Revolving Funds. Lawmakers should also adopt alternative financing mechanisms, such as bipartisan legislation lifting the state volume cap on private activity bonds for water infrastructure projects to leverage private capital. Additionally, Congress should create a Clean Water Trust Fund to ensure stable funding for water infrastructure investments.



Protect equipment distributors from harmful and unnecessary regulations

Congress must aggressively assert its oversight authority of executive branch agencies and departments, such as the National Labor Relations Board, Occupational Safety & Health Administration, Department of Labor, and Environmental Protection Agency (EPA). Lawmakers should also protect companies from regulations that unnecessarily drive up costs of doing business, such as the Federal Motor Carrier Safety Administration's hours of service regulations and EPA's "Water of United States" rulemaking.

Invest in the next generation of skilled, technical workers

As construction equipment distributors recover from the economic downturn, the industry faces a growth-hindering shortage of qualified, trained technical workers. Congress must channel resources to training a new generation of skilled workers. Federal laws should be updated to reflect current workforce needs and to allow greater flexibility for state and local entities, non-governmental organizations, community colleges and technical schools, and industry to work together to address the skilled worker deficiency. Finally, Congress must ensure federal training and educational programs receive adequate funding to maintain a skilled and dynamic technical workforce.



Expand domestic energy production

The United States must continue to develop its energy resources to reduce our dependence on foreign oil and create jobs. Congress should ensure that shale energy development is allowed to continue across the country. Lawmakers must also do everything in their power to ensure approval of the Keystone XL pipeline. The Keystone project will generate considerable economic activity and support as many as 42,000 new jobs across the country, most in the construction sector.

Limit Obamacare's impact on equipment distributors

While equipment distributors overwhelmingly support the Affordable Care Act's repeal, the industry recognizes that completely scrapping the law is unlikely. Consequently, Congress must enact reforms to the health care law, such as raising Obamacare's full-time workweek definition to 40 hours and clarifying that equipment rental income earned by taxpayers actively participating in an equipment distribution trade or business is exempt from the 3.8 percent passive income tax. Lawmakers should also develop market-based solutions that address the real problem with the health care system – out of control costs.