

About AED

AED is an international trade association headquartered in Schaumburg, Illinois that represents companies involved in the distribution, rental, and support of equipment used in construction, mining, energy, forestry, power generation, agriculture, and industrial applications.

Our 400 distributor member companies account for more than \$30 billion in annual sales of construction equipment and related supplies and services in the U.S. and Canada. Collectively, our members have more than 1,500 dealer locations throughout North America and employ more than 40,000 people. AED's membership includes:

- 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 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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2017 LEGISLATIVE PRIORITIES

115th Congress – 1st Session

Simplify the tax code to encourage capital investment and growth

Congress must make restoring simplicity and predictability for taxpayers a top priority. To help U.S. companies achieve their full economic potential, tax reform should simultaneously benefit corporations and pass-through entities (which make up three-quarters of AED members). Tax reform must create a more competitive tax environment for companies operating internationally. Encouraging capital investment by businesses should also be an overriding reform objective. With that in mind, Congress must reject proposals to extend cost recovery periods and protect pro-investment tax policies such as Sec. 1031 like-kind exchanges, the deductibility of business interest, and last in, first out (LIFO) accounting. For the capital-intensive, family business-dominated equipment industry, the estate tax is particularly problematic and Congress should repeal it once and for all. Congress should also clarify that equipment rental income earned by taxpayers actively participating in an equipment distribution trade or business is exempt from Obamacare's 3.8 percent passive income tax.

Invest in transportation infrastructure

The five-year, \$305 billion surface transportation authorization law (the FAST Act) enacted in 2015 restored near-term certainty to the Federal Highway Program. In addition to helping address America's transportation infrastructure crisis, AED estimates the law will generate more than \$13 billion in equipment market activity (sales, rental and product support) nationwide through 2020 and support more than 4,000 dealership jobs each year. However, the FAST Act is a drop in the bucket: estimates are that our nation faces a \$740 billion backlog in much-needed road and bridge improvements. Congress must work to identify new Highway Trust Fund revenue sources to restore the program's fiscal stability and increase investment. Lawmakers should also create new tools to attract more private investment in infrastructure to supplement public funding. Congress should monitor the FAST Act's implementation to ensure the permit streamlining and environmental review reforms are applied according to congressional intent. Congress must also increase investment in our nation's airports as part of the Federal Aviation Administration reauthorization process.

Increase water infrastructure investment

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 twenty 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 and other job creators from harmful and unnecessary regulations

In recent years, AED members and other businesses have faced a deluge of new regulatory mandates from the National Labor Relations Board (NLRB), Occupational Safety & Health Administration (OSHA), Department of Labor (DOL), Environmental Protection Agency (EPA), and other federal agencies. Congress and the new administration should carefully review recent regulatory actions, including EPA's "Water of United States" and greenhouse gas emissions rulemakings, OSHA's crystalline silica exposure mandate, DOL's overtime rules, and NLRB's proposal to completely alter the current employment framework by redefining "joint employer" to unnecessarily ensnare businesses in the labor disputes of its outside contractors and suppliers. Congress should also enact regulatory reform legislation to permanently impose more accountability on regulators and enhance the role of the Small Business Administration's Office of Advocacy.

Invest in the next generation of skilled, technical workers

A recent AED Foundation study found that shortage of equipment technicians is costing dealers \$2.4 billion per year in lost economic opportunity. Other industries that rely on skilled labor are similarly suffering. Congress must channel resources to training a new generation of technical workers. Policymakers should update laws 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, such as the Carl D. Perkins Career and Technical Education Act, receive adequate funding to build a skilled and dynamic technical workforce.

Expand domestic energy production

The United States must continue to develop its energy resources and become an even more significant global energy producer. Congress should ensure that shale energy development is allowed to continue across the country and must recognize that its benefits are best measured and understood at the state level. Congress and the administration should work together to renew the vitality of other energy sectors – including coal – that have been undermined by federal policy in recent years. Finally, speeding the construction of new infrastructure to transport and process energy must also be a priority.

International trade

The United States operates in global economy. While protectionist rhetoric makes good campaign soundbites, the reality is American companies rely heavily on free trade agreements and other accords that permit accessible and efficient international trade. Congress must continue to promote free trade by lifting the embargo of Cuba, ensuring the long-term viability of the Export-Import Bank, and building closer relationships with Canada, our closest ally and trading partner.

For more information, please contact
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