



2017 LEGISLATIVE PRIORITIES TALKING POINTS

Have Questions?
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Associated Equipment Distributors (AED) is focused on policies that will expand primary product markets and lower equipment distributors' cost of doing business. The following are the industry's 2017 legislative priorities:

Reform the Tax Code

- A comprehensive approach must be taken to fix our broken federal income tax code. True reform must address tax laws that impact both corporations and "pass-through" entities that pay taxes using individual rates. Repairing the tax system of one without the other would be woefully incomplete. **Congress should proceed on tax reform that simultaneously benefits corporations and pass-through entities to ensure all businesses benefit from improvements to the Internal Revenue Code.**
- Tax code uncertainty is wreaking havoc on the construction equipment industry and holding the economy back from a full recovery. Resources used to retain tax attorneys and accountants could be used to hire more workers and invest in AED member companies. **With compliance costs constantly increasing, lawmakers must restore certainty and simplicity to the tax code.**
- Encouraging capital investment 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. While lawmakers provided some relief in Jan. 2013 by setting the tax at a top rate of 40 percent on estates of more than \$5.25 million, AED members annually spend an estimated \$31.82 million on estate-tax-related insurance premiums. Additionally, over the past three years, AED members have paid lawyers and accountants an estimated \$6.69 million to design plans to protect their companies. **AED therefore believes the only real solution is permanent estate tax repeal.**

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Infrastructure Investment

- Our nation's infrastructure is in desperate need of a major upgrade. According to the American Society of Civil Engineers, America's infrastructure scores a D+. Whether it's structurally deficient bridges, dams and levees or inadequate roads, airports and pipes, **America's infrastructure is insufficient and our leaders in Washington can no longer shun obligations when it comes to required upgrades.**

- While the last highway bill (the FAST Act) provided near-term certainty to the federal highway program, our nation still faces a \$740 billion backlog in much-needed road and bridge improvements. **Consequently, Congress must work to identify new Highway Trust Fund revenue sources to restore the program's long-term fiscal stability and increase investment.**

- Our airport infrastructure is also falling behind. It is expected that 24 of the top 30 major airports may soon experience "Thanksgiving-peak traffic volume" at least one day every week. With a \$42 billion gap between airport needs and current investment levels, **upgrading and expanding our nation's airports as part of the Federal Aviation Administration reauthorization process should be a top priority.**

- Government and industry studies have estimated the nation's water infrastructure needs over the next two decades in the hundreds of billions of dollars. However, the Clean Water and Safe Drinking Water State Revolving Funds (SRF), the primary investment vehicle for water infrastructure projects, has been reduced substantially since 2010. **Lawmakers should restore and increase SRF funding levels and explore public-private partnerships to tap into private capital for these important projects.**

- America's power grid is operating at full capacity. Most of the U.S. energy system dates to the mid-20th century. The time is long overdue for a major upgrade to our energy infrastructure. **Congress must focus greater attention on replacing aging equipment and accommodating increased demand. Additionally, investments are necessary to ensure that broadband infrastructure keeps pace with growing demands for internet access.**

Workforce Shortage

- For decades, equipment distributors have identified the technician shortage as a major strategic challenge for the equipment industry. Through The AED Foundation, the Association has a decades-long history of tackling the skills gap by creating partnerships with local technical schools, providing training for the current industry workforce, and promoting equipment industry careers.

Workforce Shortage Cont.

- A 2016 AED Foundation study found that the shortage of equipment technicians is costing dealers \$2.4 billion per year in lost economic opportunity. Lack of skilled workers is hindering economic growth and **Congress must channel resources to educating a new generation of technical workers.**

- Federal laws should be updated, such as reauthorizing the Carl D. Perkins Career and Technical Education Act, to reflect current workforce needs and **to allow greater flexibility for state and local entities, nongovernmental organizations, community colleges and technical schools, and industry to work together to address the skilled worker deficiency.**

- Congress must also provide additional resources to fund new sector-based workforce strategies that connect employers, schools, and local governments and **recognize that short-term, skills and job-oriented training programs can play as significant a role in the education of skilled workers as full-blown college degree programs.**

Energy Development

- For the economy to reap the full reward from our abundant natural resources, the federal government must refrain from micromanaging the energy development industry. **Consequently, Congress and the administration must work together to open more federal land to energy development.**

- The energy sector has created hundreds of thousands of jobs, enhanced national security, spurred economic growth, improved manufacturing competitiveness, and lowered the cost of energy to consumers. **Public policy should facilitate and encourage continued development.**

- Balanced regulation is necessary to protect public health and the environment while encouraging innovation and expansion in the energy industry. **The federal government must get out of the way and not place unnecessary, burdensome and duplicative regulations on energy companies.**

- While mining, particularly coal, is essential for our energy needs and to the economic well-being of the United States, it's also necessary to rebuild our nation's crumbling infrastructure. Whether its granite, sand, gravel, limestone or crushed rock, all are essential materials used in infrastructure projects. **The federal government must abstain from overregulation and allow the mining sector to create more jobs, drive our economy, improve the financial health of our country, rebuild our nation's deteriorating infrastructure and help the United States become energy independent.**