



**Associated Equipment Distributors
Government Affairs Office
1201 15th Street, NW
Suite 220
Washington, D.C. 20005**

January 25, 2019

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Charles Schumer
Democratic Leader
U.S. Senate
Washington, D.C. 20510

Re: Associated Equipment Distributors' 2019 Legislative Priorities

Dear Speaker Pelosi and Leaders McConnell, Schumer and McCarthy:

On behalf of Associated Equipment Distributors (AED) and its members, congratulations on your election to leadership positions for the 116th congressional session. The association also commends newly selected committee chairmen, ranking members and the entire new Congress. We look forward to working with the House and the Senate in a bipartisan manner to enact the construction equipment industry's legislative priorities.

AED is the international trade association representing companies that sell, rent, service and manufacture construction, mining, farm, energy, forestry and industrial equipment. Its 450 distributor members, which are predominantly small-medium-sized, family-owned businesses, have 4,400 locations, employ 130,000 workers and account for more than \$54 billion of annual sales revenue of equipment and related supplies and services in the U.S. and Canada. Additionally, AED has another 325 non-distributor members, which include manufacturers of equipment and related supplies, and industry service providers. AED's members operate in all 50 states and every congressional district.

AED members are ready for Congress to work together in a bipartisan manner to enact pro-growth, job-creating policies to ensure the country's economic vitality for decades to come. Congress should act on the following proposals to help ensure the long-term viability of the construction equipment industry and the nation's economic security:

- **Rebuilding Our Nation's Infrastructure.** The United States' infrastructure is crumbling and Congress must work in a bipartisan manner to provide long-term certainty and increased investments in federal infrastructure programs. The country faces a more than \$740 billion backlog in much-needed highway and bridge improvements and nearly half of America's major roads are in poor or mediocre condition. With the current highway bill (the FAST Act) set to expire in 2020 and the Highway Trust Fund approaching insolvency, Congress must identify new revenue sources to restore the federal highway program's long-term fiscal stability and increase investment levels. In addition to roads and bridges, Congress must also invest in all infrastructure, including dams, levees, airports, broadband, pipes and water systems to drive economic growth, job creation and international competitiveness for decades to come.
- **Educating the Next Generation of Skilled Workers.** The single greatest challenge facing AED members is the lack of skilled, technical workers. A 2016 AED Foundation study found the dearth of equipment technicians is costing dealers \$2.4 billion in lost economic opportunity. Congress must update federal laws to reflect current workforce needs, such as easing the ability of students to use Pell grants for short-term training courses and programs. Lawmakers should also provide additional resources to fund new sector-based workforce strategies that connect employers,

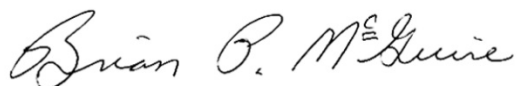
The association of leaders in the equipment industry.

schools, and local governments and incentivize students to pursue short-term, skills and job-oriented training programs rather than full-blown college degree programs. Additionally, funding for the Carl D. Perkins Career and Technical Education Act, the principal source of dedicated federal funding for career and technical education (CTE), hasn't kept pace with growing needs and Congress should look to reverse underfunding of critical education and workforce training programs.

- **Ensuring the U.S. Equipment Industry's International Competitiveness.** The United States operates in a global economy. Equipment dealers and manufacturers rely heavily on free trade agreements and other accords that permit accessible and efficient international trade. To provide much-needed trade certainty with our closest allies and economic partners, Congress should expeditiously approve the new United States-Mexico-Canada Agreement (USMCA). Lawmakers should also ensure the long-term viability of the Export-Import Bank and continue to work with Canada to promote greater regulatory harmonization and improve the movement of goods across the United States' northern border.
- **Restoring Certainty to the Tax Code.** The Tax Cuts & Jobs Act contained many pro-growth policies, including lowering the tax burden for pass-throughs, full expensing of new and used equipment purchases, business interest limitations tied to EBITDA and increased estate tax exemption levels. However, these provisions are temporary. Congress must work to preserve these important capital investment incentives and make them a permanent part of the tax code to provide certainty for construction equipment dealers, manufacturers and their customers.
- **Expanding Domestic Energy Production.** The United States should pursue energy policies that promote a stable and sustainable energy supply while balancing economic growth, job creation and national security considerations with environmental protection. All energy sources, including shale, coal, nuclear and renewables, should be a part of a forward-looking, national energy policy that allows the United States to be energy independent and less reliant on countries hostile to U.S. interests. Additionally, Congress and the administration should work together to address unnecessary permitting delays that have resulted in insufficient pipeline capacity to process and transport energy resources.

AED and its members stand ready to work with you and your colleagues to achieve these goals that will ensure economic growth and job creation well into the future. Thank you for your consideration and service to our nation.

Sincerely,



Brian P. McGuire
President & CEO

c.c. All members of the U.S. House of Representatives and U.S. Senate