



September 8, 2008

The Honorable Harry Reid
Majority Leader
United States Senate
S-221 Capitol Building
Washington, DC 20510

Dear Senate Majority Leader Reid:

The Associated General Contractors of America (AGC) would like to highlight 6 areas where we believe Congress must focus its attention during the limited time left in the waning weeks of the 110th Congress. Each issue has an impact on our members' ability to hire, manage their businesses and pay taxes into the future.

1. Fix the shortfall in the Highway Trust Fund—Last Friday, the administration finally admitted that the situation is dire and that earlier than expected the balance in the Highway Account of the Highway Trust Fund is insufficient to pay its bills on time and in full. Their proposed remedy is much like the obvious remedy that has been popular in Congress for months. Congress must fix this shortfall immediately so that states and private industry are not left holding the bag.
2. Extend the authorization for the Airport Improvement Program (AIP) into the 111th Congress—Despite attempts in both chambers over the last year to reauthorize the AIP within the context of Federal Aviation Administration (FAA) reauthorization, there is still no resolution. Congress needs to give the FAA programs the authorization they need to modernize and improve safety at America's congested airports and air space.
3. Finalize appropriations for fiscal year 2009 and provide economic stimulus that creates jobs—Construction is a global market subject to price spikes and capital availability. The federal government spends about \$100 billion on construction services each year. Making decisions on the full FY 2009 program will help contractors and the federal government work together to ensure federal funds are spent wisely. Using additional appropriations to improve federal, state, and local facilities will provide jobs and add a lasting infrastructure base from which to grow our economy for decades to come.
4. Domestic energy security—Congress has heard from people around the country, including many of our members, that energy prices are too high and too volatile. Improving the reliability of the domestic supply of energy requires both short and long-term solutions. Congress must act now to lay a solid foundation for the safety and security of the country.

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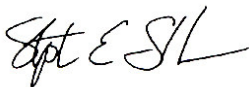
5. Extend Tax provisions—Each year Congress grapples with the decisions on extending tax provisions, including halting the effects of the alternative minimum tax. The issue this year is exacerbated by the growing uncertainty in the credit market as well as economic pressures at the international, federal, state, and local levels.
6. Reauthorize E-Verify—The simple, straight forward reauthorization of E-Verify gives employers across the country the confidence they need to deal with the mounting pressures of hiring a competent legal workforce. At least thirteen states require, or will soon require, the use of the federal government's E-Verify system.

In the few legislative days that remain, Congress should address these prominent economic issues. The construction industry has seen significant volatility in diesel/energy prices over the last five years (up 341%). The construction industry is suffering a drop in employment, especially in highway and transportation construction, which has seen employment drop more than 5% in the past year.

The construction industry employs 7 million people. Each AGC member company has made significant capital investment. The construction business is a complicated act of balancing capital, activity, and expectations. We rely on the government meeting their funding obligations, providing rational and reliable tax policies, promoting energy security, and ensuring the stability of government databases.

Thank you for considering our concerns.

Sincerely,



Stephen E. Sandherr
Chief Executive Officer