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Postcard from Hilton Head: Greetings from CAGC 's 91st Annual Convention.

March 9, 2012



Remarks from Joe Jarboe

Yesterday marked the first full day of Carolinas AGC's 91st Annual Convention, taking place this year at the Hilton Head Marriott Resort & Spa. With over 350 attendees, this year's event is CAGC's bestattended annual convention in five years.



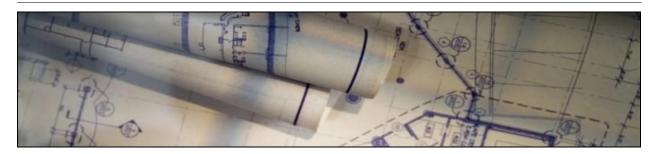
Day 1 highlights included remarks by 2012 AGC president Joe Jarboe, an update on the reauthorization of the federal highway/transit investment law from Rich Juliano of the American Road & Transportation Builders Association ("ARTBA") and a presentation about the possibilities social media presents to the construction industry.

Mr. Jarboe began his remarks focusing on the partisan discord in Washington, which "has made it hard to get anything accomplished" in jump-starting the economy. He urged all attendees to get involved in the political process to ensure that our elected leaders understood the value of construction/infrastructure investment and the problems of over-regulation. He also encouraged attendees to visit AGC's website, which includes an <u>Action Center</u> focusing on the national organization's advocacy efforts.

Mr. Jarboe then commented about the dawn of a new era for the industry, focusing on technology and new ways of doing business. On technology, Mr. Jarboe remarked "if you're not working with BIM (building information modeling) and CIM (civil information modeling), what are you waiting for?" On new ways of doing business, Mr. Jarboe emphasized that general contractors are increasingly becoming



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more involved in the pre-construction phase, that more and more projects are being procured by methods focusing on factors other than price, and that owners are becoming increasingly sophisticated, most notably in the arena of green construction. He urged attendees to look ahead and not back, as these changes in technology and ways of doing business are the wave of the future.

Update on Federal Highway/Transit Funding

Mr. Juliano is ARTBA's Senior Vice President for Strategic Initiatives and Managing Direction of the organization's Contractors Division. ARTBA is the "consensus voice" of the transportation construction industry and has been fighting the good fight in ensuring appropriate levels of investment in our nation's highway and transit infrastructure.

Mr. Juliano focused his remarks on two pending bills to reauthorize the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users ("SAFETEA-LU"), which originally expired in September 2009; the current extension of the law expires at the end of this month. Since federal funding of highway and bridge construction accounts for 51% of the nation's infrastructure development, the importance of reauthorizing federal highway/transit investment can not be overstated.

The U.S. House and Senate are working on bills to reauthorize and fund the legislation for the next 2-5 years. The Senate bill provides for two years of financing at \$107 billion -- \$84 billion for highways, \$21 billion for transit and \$2 billion for safety programs -- funded by a combination of the federal gas tax and \$10 billion in general revenues. Mr. Juliano said the bill enjoys widespread bipartisan support in the chamber but is currently mired in procedural hang-ups that he was confident should come to an end shortly. The House bill provides for five years of financing at \$259 billion -- \$201 billion for highways, \$52 billion for transit and \$6 billion for safety programs -- funded by a combination of the federal gas tax and \$46 billion in general revenues. Mr. Juliano said that unlike the Senate bill, the House bill is being driven by the Republican caucus, which is not seeking Democratic support for the legislation. Based on that approach, Mr. Juliano emphasized that the challenge going forward is for the House Republican leadership to keep a coalition together to garner 218 votes for passage.

Click here for more on ARTBA's efforts on this important legislation.



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Social Media for Contractors?

Anthony Huey, a communications consultant from Reputation Management Associates, gave a lively presentation on the advantages of social media for construction industry participants. He emphasized that social media is not a fad, and can be utilized as a component of any organization's overall communications effort. Mr. Huey stated that the two-way interaction fostered by social media is a more effective marketing technique than traditional one-direction messaging. He specifically encouraged participants to explore the potential utility of Twitter in sharing customer-oriented information, generating news and remaining at the top of customers' minds.

I spoke with a few attendees after Mr. Huey's presentation, and the verdict is still out on contractors' receptiveness to social media. One attendee expressed to me that he'd like his organization to explore the possibilities further; another remained highly skeptical that contractors will ever rely on social media as a meaningful communications tool. As a social media participant myself, I'll be keeping an eye on the level of contractor acceptance and participation in this brave new communications world.

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