



AMERICAN
SUBCONTRACTORS
ASSOCIATION
METRO WASHINGTON
THE FIRST & FOUNDING CHAPTER OF ASA

The Trump Effect on the Construction Industry

K&L GATES

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FILE

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Trump Effect ~ Regulations

Policy Objective:

“Make Federal Agencies Responsible Again” AGC Roadmap

- 5 pages of Executive Orders to Repeal, Tweak and Keep
- 12 pages of Agency Rules to Repeal
- 9 pages of Agency Rules to Tweak
- 4 pages of Agency Rules to Keep

Trump Effect ~ Regulations

Policies Enacted/Reversed:

- **2:1 Ratio**
- **Regulatory Review Task Force**
- **Reg. Reform Officers (RROs)**
- **Blacklisting Rule**
- **Clean Air Regulations**
- **OSHA Record Keeping**

Trump Effect ~ Infrastructure

Policy Objective:

Administration wants to leverage P3s to spur \$1 trillion in infrastructure investment over 10 years in a revenue neutral model.

Trump Effect ~ Infrastructure

Impact on Construction:

This focus will bring a significant increase in spending over the long term.



Trump Effect ~ Infrastructure

2018 budget proposal also includes cuts to major programs:

- ❑ Transit capital investment grants –only existing projects, no new projects.
- ❑ TIGER multimodal grants – eliminated.
- ❑ USDA rural water loans and grants – eliminated.
- ❑ Army Corps of Engineers construction budget – reduced.

Trump Effect ~ Trade

Policy Objective:

- Trump has repeatedly indicated US should withdraw from TPP and renegotiate NAFTA.
- Trump signed EO mandating tougher enforcement of “Buy American Hire American.”

Trump Effect ~ Trade

Impact on Construction:

Experts believe this will likely affect building material prices.



Trump Effect ~ Immigration

Policy Objective:

Trump has taken a very hard stance on illegal immigration / building a wall / increasing penalties for overstaying.

Trump Effect ~ Immigration

Impact on Construction:

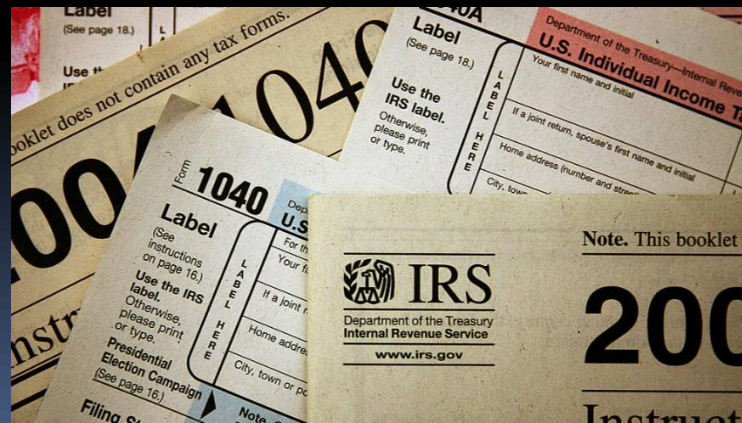
Policies could further exacerbate labor issues.



Trump Effect ~ Tax Reform

Policy Objective:

Trump is calling for Middle Class Tax Relief and Simplification.



Trump Effect ~ Tax Reform

Impact on Construction:

These measures will ostensibly allow for more money in the economy, which should create an overall boost to the economy.

Trump Effect ~ Pipelines

Policies Reversed:

- **Dakota Pipeline: January 24 memo directing USACE to reconsider Obama decision to halt.**
- **Keystone Oil Pipeline: March 24 reversed Obama decision and approved permit to build 1,200 mile project.**

OVERALL PREDICTIONS

Trump Effect on the Construction Industry

POSITIVE & NEGATIVE



TAX REFORM

More \$ in economy means more capital for investments, including construction.



INFRASTRUCTURE

Upgrading infrastructure results in increased construction spend.



REGULATIONS

Reduced bureaucracy will speed up construction process & reduce costs.



FINANCE

Reduced regulations will increase mortgage availability.



TRADE POLICY

Will likely increase building material costs.



IMMIGRATION

Will further strain the labor shortage and increase costs.

Trump Effect on the Construction Industry

Legal Panel Discussion for ASAofMW

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