



2012

YEAR IN REVIEW

ABC LEADERSHIP



2012 Executive Committee

Chairman:

Eric Regelin, GRANIX, LLC, Ellicott City, Md.

Chairman-elect:

Greg Hoberock, hth companies, inc., Union Mo.

Immediate Past Chairman:

Michael J. Uremovich, Great Lakes Energy Consultants, Manhattan, Ill.

Region 1 Vice Chairman:

Wade Pope, Roche Constructors, Inc., Las Vegas, Nev.

Region 2 Vice Chairman:

David Chapin, Willmar Electric Service, Lincoln, Neb.

Region 3 Vice Chairman:

Phil Hoppman, Big D Metalworks, Dallas

Region 4 Vice Chairman:

Dan Brodbeck, Compass Partners, LLC, Brentwood, Tenn.

Region 5 Vice Chairman:

Pamela Volm, Annapolis Contracting, Inc., Annapolis, Md.

Region 6 Vice Chairman:

Charles Henry, Henry Electric, Inc., Fort Wayne, Ind.

Region 7 Vice Chairman:

Tim Walton, Cianbro Corp., Pittsfield, Maine

Secretary/Treasurer:

Anthony Stagliano, Mayer Hoffman McCann, P.C. Plymouth Meeting, Pa.

ABC President and CEO:

Michael D. Bellaman, Arlington, Va.

Chapter Presidents' Liaison:

Bill Anderson, ABC Georgia Chapter, Atlanta

ABC Board of Directors

In the truest sense of the word, ABC is a member-run association. Members identify issues critical to merit shop construction and work together to find solutions using the resources of one of the largest construction-related groups in the world.

The association is governed by a 174-member board of directors composed of delegates from each of ABC's chapters. The board meets three times each year and all members of the association are eligible to serve.

VALUE PROPOSITION

Based on the merit shop philosophy, ABC helps its members win work and deliver that work safely, ethically and profitably for the betterment of the communities in which ABC and its members work.

Associated Builders and Contractors (ABC) exists based on the merit shop philosophy, and uses that philosophy as the foundation for helping its members win work and deliver that work safely, ethically and profitably for the betterment of the communities in which ABC and its members work.

This *Year in Review* takes a look back at ABC's actions during 2012 through the filter of that value proposition, clearly demonstrating the association's successes in each area and showcasing some of the great things ABC members can look forward to in 2013 and beyond.

The review is organized by what ABC achieved under each section of the value proposition.

Based on the Merit Shop Philosophy (p. 2):

ABC helped members take their issues to federal and state lawmakers throughout 2012, with 82 percent of the candidates ABC's Political Action Committee supported winning their races. The association also celebrated victories when Indiana and Michigan passed Right to Work laws. In addition, ABC helped members and their customers fend off banner campaigns with resources available on www.shameonunionbanners.org, as well as worked to shape rules and regulations that impact construction contractors.

ABC Helps Members Win Work (p. 4):

ABC opened up billions of dollars worth of construction projects to merit shop contractors in its fight to eliminate project labor agreement (PLA) mandates and preferences by state and federal governments. ABC also formed a joint council with the National Council for Public-Private Partnerships (P3) to support P3s. Throughout the year, ABC provided economic insights for members and the construction industry through its quarterly Construction Backlog Indicator and the launch of its new Construction Confidence Index. The association also gave national recognition to companies and projects that were truly spectacular.

ABC Helps Members Deliver Work Safely

(p. 6): ABC provided members with benchmarks to create the safest work environment possible through its Safety Training Evaluation Process (STEP) and offered a STEP Plus Safety Academy for in-depth training. ABC's STEP Diamond participants were proud to claim an average total recordable incidence rate of 91 percent less than the industry average. ABC also established an industry-wide initiative for drug- and alcohol-free workplaces, and worked to ensure a cooperative environment between regulatory bodies and ABC members.

ABC Helps Members Deliver Work Ethically

(p. 8): ABC created a library of free compliance and best practices information related to the health care law, taxes, and upcoming rules and regulations through its ABC Academy for Construction Ethics, Compliance and Best Practices. In addition, ABC's Certified Green Contractors displayed best practices in sustainability.

ABC Helps Members Be Profitable (p. 10):

ABC offered training opportunities for members' staff and craftworkers to attract and develop top talent through its Department of Labor-approved National Model Apprenticeship Standards, which contain standards for 27 trades. ABC also helped members enhance their productivity and lower costs with training opportunities, and more than 130 of the nation's top apprentices competed in ABC's National Craft Championships. ABC also saved its members more than \$20 million throughout 2012 through its discount program and worked to ensure regulations being issued were well thought out.

For the Betterment of Our Communities

(p. 14): ABC worked to train veterans in construction-related skills and find them jobs through strategic partnerships, as well as supported its members' community service efforts. ABC also continued its partnership with the Red Cross to promote disaster relief efforts throughout the year and recognized it members and chapters that stepped up to help victims of various disasters.



BASED ON THE MERIT SHOP PHILOSOPHY

Taking Merit Shop Issues to the Capitol

In 2012, ABC remained dedicated to its role as the leading voice promoting the merit shop philosophy—a philosophy that encourages open competition and a free enterprise approach to construction based solely on merit, regardless of labor affiliation.

As part of this mission, ABC worked to increase its political influence with the help of its members, who contributed more than \$1.7 million to ABC's Political Action Committee (PAC) throughout the 2011–2012 election cycle—almost all of which was contributed to pro-business candidates, leadership PACs and national committees that support ABC's key issues. Eighty-two percent of those candidates won their elections. Although the ABC-endorsed presidential candidate did not win in November, members were able to make their views known to their congressional leaders during the July Legislative Conference in Washington, D.C.

After the elections, ABC hosted a webinar to help its members understand the long- and short-term impact of another Obama presidential term on their businesses.

In addition, ABC obtained a record 181 co-sponsors in the U.S. House of Representatives and 32 co-sponsors in the U.S. Senate during the 112th Congress for its Government Neutrality in Contracting Act (H.R. 735/S.119), which seeks to prohibit government-mandated PLAs on federal and federally assisted projects.

ABC's efforts to raise awareness of PLAs resulted in five historic votes on the issue in the House, including a successful House vote to pass an amendment to the National Defense Authorization Act (NDAA) for Fiscal Year 2013 (H.R. 4310) that would have prohibited federal agencies from mandating PLAs on federal construction contracts authorized by the bill.

Having laid the groundwork by increasing public awareness of its priority issues, ABC is working toward engaging more members on a grassroots level by providing information and tools that will help them talk to their employees about merit shop issues, involve them in the political process and allow them to easily communicate with their elected officials.

Indiana and Michigan Become Right to Work States

Indiana and Michigan enacted Right to Work laws in 2012, becoming the first states to do so in more than 10 years (since Oklahoma in 2001). Now, 24 states across the country have Right to Work laws. Although these laws do not eliminate the threat of government-mandated PLAs, they guarantee employees cannot be forced to pay dues to any labor organization as a condition of employment.

Working to Create Fair Labor Laws

In addition to providing members resources for complying with rules and regulations, ABC fought to make those rules fair and balanced. Notably, ABC worked to eliminate political favoritism in the National Labor Relations Board's (NLRB) agenda.



Presidential candidate Mitt Romney addresses the ABC National Board of Directors during its February meeting.



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In 2012, the ABC-led Coalition for a Democratic Workplace (CDW) filed a legal challenge against the president's decision to "recess" appoint three unvetted members to the NLRB without first obtaining the advice and consent of the Senate, which was in session. In January 2013, an appeals court ruled in favor of CDW—an action that calls into question the validity of all decisions made by the NLRB in 2012. The ruling also effectively leaves the board without a quorum, which means they cannot issue any more damaging rulemakings or decisions.

Among the rules the CDW victory calls into question is the "ambush" elections rule, which would reduce the amount of time between when a union files a representation petition and an election takes place, impeding an employer's ability to present facts and information to employees about the union representation process. CDW also won a lawsuit in 2012 that overturned this rule, in which the coalition argued the NLRB lacked a quorum when they issued it. The Obama administration has appealed the ruling and a decision is likely in 2013.

In another ABC victory, an appeals court in April issued an injunction preventing the NLRB from implementing the "employee rights" notice posting rule pending appeal. The injunction was issued in response to a request filed by the CDW. Under the rule, employers would be required to display a poster in their workplaces containing a biased and incomplete list of employee rights under the National Labor Relations Act.

The injunction remains in effect and the NLRB cannot enforce the requirement until a final decision is issued.

Maintaining an Employer's Right to Free Speech

ABC worked to maintain employers' rights to free speech, freedom of association and legal counsel, in addition to employees' collective right to obtain balanced information to decide whether to be represented by a union. ABC alerted the Department of Labor (DOL) that its proposed changes to the current persuader

reporting requirements, which would significantly narrow the "advice exemption," would infringe on these rights.

The "advice exemption" has long excluded attorneys, trade associations and other third-party advisors from federal reporting and disclosure requirements when they discuss union organizing with an employer without engaging in direct contact with its employees. Employers that use these protected services also are currently exempt.

Helping Combat Bannering

ABC offered tools and resources in 2012 to help members combat bannering campaigns against themselves and their customers, including www.shameonunionbanners.com, and a resources guide.

Bannering is a tactic used to threaten or coerce construction purchasers and higher-tier contractors into hiring contractors willing to use unionized workers. It includes the display of large signs at sites belonging to neutral parties or secondary employers, which often contain misleading claims and discourage the use of merit shop contractors.

In March, a federal court of appeals in Georgia upheld a verdict awarding a merit shop company \$1.7 million. The jury found the "area standards" campaign conducted against the company was illegal. Campaign activities included bannering, picketing and handbilling.

ABC's Rocky Mountain and Georgia chapters helped publicize the bannering issue in 2012 by creating task forces of contractors that have been affected by these campaigns.

ABC and Elevators Association Join Forces

The ABC National Executive Committee in September voted to absorb the Merit Elevator Contractors Association of America (MECAA) and allow it to operate as an ABC National standing committee. In 2012, with the strong support of ABC chapters, MECAA fought against discriminatory licensing legislation and regulation in New Jersey and Delaware. Next year, the committee will continue to focus on state licensing issues for elevator contractors.

ABC HELPS MEMBERS WIN WORK

ABC Gives Members a Chance to Bid on Billions of Dollars of Work

In 2012, ABC continued its campaign of legislative, legal and public relations strategies to restrict the devastating impact of government-mandated PLAs on federal, state and local public works projects. As a result, ABC was able to open up billions of dollars worth of work to merit shop contractors.

ABC also welcomed a long-awaited decision by the Department of Labor (DOL) to issue a bid solicitation on its estimated \$20 million to \$50 million Job Corps Center in Manchester, N.H., without a discriminatory and costly PLA mandate or preference.

The Job Corps Center was the first federal project subject to a government-

mandated PLA following President Obama's February 2009 Executive Order 13502, which encourages federal agencies to mandate PLAs on a case-by-case basis for federal construction projects exceeding \$25 million. ABC assisted two ABC members in filing successful bid protests each time the project was bid with a PLA mandate.

As a result of ABC's and its members' responses to more than 50 PLA surveys issued

by federal agencies, only one federal agency mandated a PLA in 2012. During the course of President Obama's first term, fewer than 10 of approximately 667 federal contracts affected by E.O. 13502 were subject to PLA mandates or PLA preferences.

Government-Mandated PLAs Eliminated in 14 States

In 2012, five states either enacted or re-enacted bans on government-mandated PLAs, bringing the total number of states that guarantee fair and open competition on public construction projects to 14. More than a dozen communities across the country have enacted similar measures, giving ABC members the chance to bid competitively on these projects.

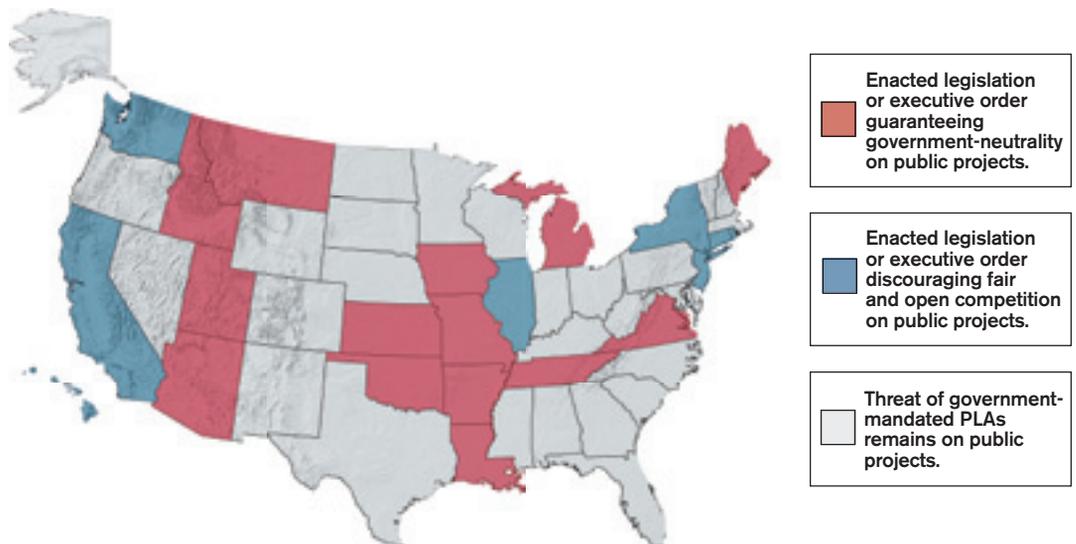
ABC members also got the opportunity to work on the \$2.7 billion Phase 2 of the controversial Silver Line Metrorail expansion in Virginia after a PLA preference policy was removed. An Albany County Supreme Court judge also ruled in favor of an ABC member to invalidate a PLA on a \$70 million road reconstruction and bridge replacement in New York; however, ABC is continuing to fight New York state efforts to require another PLA.

Teaching Leaders the Truth About PLAs

To keep the public and government leaders updated on PLAs, ABC launched a new website about the negative impact of PLA mandates on school construction: buildmoreschools.com. ABC also updated thetruthaboutplas.com website, and its corresponding Facebook and Twitter pages.



In 2012, nine ABC chapters featured Map ABC on their websites: Baltimore Metro, Virginia, Metro Washington, Keystone, Empire State, Ohio Valley, Florida East Coast, Heart of America and San Diego. Map ABC is a virtual illustration of the volume and diversity of member projects, including project information and photos.



Filling the Pipeline with P3 Opportunities

ABC worked to create a pipeline of projects for its members and open the option for more work to be delivered through public-private partnerships (P3s)—an increasingly popular delivery option in local, state and federal government contracting.

ABC formed a joint council with the National Council for Public-Private Partnerships (NCP3P) in 2012 to educate the public, contracting community and lawmakers about P3s. In addition to hosting a webinar to prepare members to participate in P3s, the NCP3P will use ABC's existing political influence to advocate for legislation that supports P3s.

Peering into the Construction Industry's Future

During ABC's BizCon in February, members got insights into where they could win work in the future, including which markets were going to be opening up, where their clients were planning on spending money and how the political landscape would affect their businesses.

ABC also continued to expand its economic information by launching a new Construction Confidence Index (CCI). This bi-annual diffusion index reflects construction contractors' perceptions of the business environment over a six-month period, as well as the prospects for commercial and industrial construction spending growth in the months ahead.

The index complements ABC's existing suite of economic indicators, including its quarterly Construction Backlog Indicator, which measures the amount of work to be performed in the future, and its Construction Economic Updates, which provide analysis on the government-released producer price index, employment, spending and gross domestic product data.

ABC also offered members an early look into 2013 via a mid-year update on the construction economy in June, which featured economists from ABC, the National Association of Home Builders and the American Institute of Architects. As a whole, ABC's host of economic data helps its members determine the most profitable course for their businesses.

To keep its members abreast of trends in other areas of the construction industry, ABC's award-winning monthly magazine *Construction Executive* covered topics such as corporate substance abuse policies, multi-family construction, health care construction, P3s and workforce development issues. To get that information into members' hands quickly, *Construction Executive* launched a new digital edition, which is available via free, interactive turn-page software and can be read on a mobile device.

The magazine also launched three new eNewsletters targeting risk management, technology and business management.

ABC revamped its website, www.abc.org, in 2012 to give it a new look and improved navigation. As part of the launch, ABC's online newsletter, *Newsline*, is now in a blog format, with articles focused on the merit shop construction industry.

ABC Award Winners Gain A Marketing Advantage

ABC recognized members and construction companies that go above and beyond to help them stand out from the competition when bidding on jobs.

During the February Excellence in Construction Awards celebration in Phoenix, ABC honored the top construction projects and all construction team members, including the contractor, owner, architect and engineer.

The winning projects were judged on complexity, attractiveness, unique challenges, completion time, workmanship, innovation, safety and cost.

In addition, the program featured the National Safety Excellence Awards, in which companies were judged on self-evaluation scores, lost workday case rates, total recordable rates and interviews conducted by ABC's National Environment, Health & Safety Committee.

As part of the National Diversity Excellence Awards, ABC member companies were honored for displaying diversity leadership in their workforce, supply chain and community—with best-in-class recruitment policies, retention practices, and training and mentoring programs.

In 2013, ABC will continue to support diversity in the construction industry by establishing affinity groups, which will consist of members and non-members with common interests (e.g., women in construction) that collaborate to develop industry best practices for diversity.

At the Excellence in Construction event, ABC named American Infrastructure, Worcester, Pa., its 2011 Contractor of the Year. American Infrastructure Chairman and CEO A. Ross Myers accepted the award on behalf of the company.

Winners from each of the competitions were featured in *Newsline* and *Construction Executive*, offered news releases to send to their local media and earned the right to add those honors to their resumes and websites.

ABC also advanced the value of its Green Contractor Certification program, which gives participants an edge in the market by streamlining their sustainability processes.



Middleman Construction Co., LLC won an Eagle award at ABC's annual Excellence in Construction awards ceremony.



Hendrick Construction, Inc. accepted a National Safety Excellence Award for an exemplary safety record.



Representatives from TDIndustries, Inc. accepted a National Diversity Excellence Award from 2012 ABC National Chairman Eric Regelin.

ABC HELPS MEMBERS DELIVER WORK SAFELY

STEP Diamond Companies Have Average Incidence Rates 91% Below the Industry Average

ABC's Safety Training Evaluation Process (STEP) is an industry-revolutionizing program that helps members protect their employees and save money and lost time by providing benchmarks to create the safest work environment possible. STEP participants have a lower fatality rate than the industry average and those at the top Diamond level also have the opportunity to participate in the National Safety Excellence Awards program.

To include all employees in the journey to safety excellence, ABC is preparing to formally launch STEP Plus in 2013. STEP Plus takes the core concepts of STEP and provides a three-year roadmap for companies to progress from basic safety compliance to a culture where

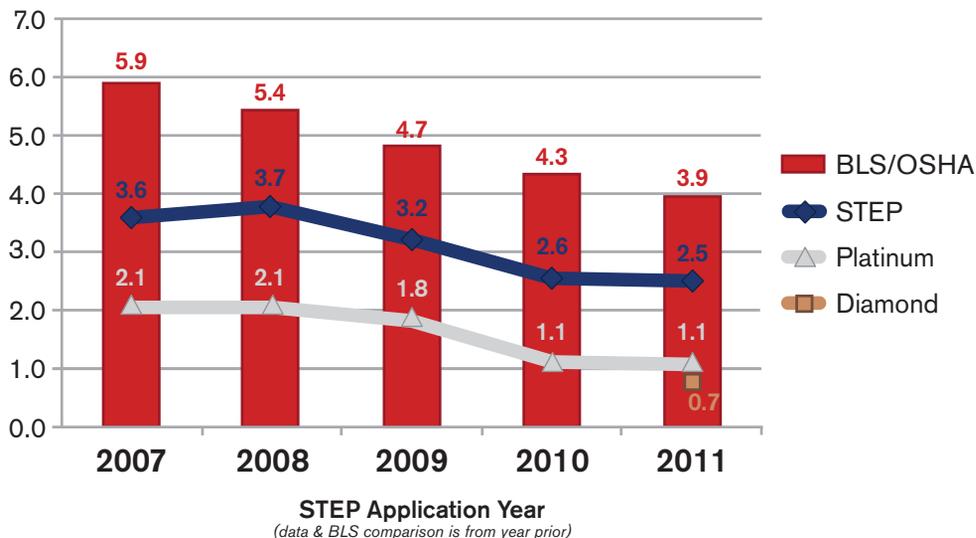
safety is the core value. The program centers on four key phases: leadership commitment, cultural transformation, safety systems and processes, and long-term results and monitoring.

ABC held its first STEP Plus Safety Academy in April in San Antonio, Texas. The three-day, in-depth academy included presentations from experts at DuPont, CNA and Lend Lease.

To start benchmarking association-wide safety progress, ABC launched an OSHA 300A member survey to measure the total recordable incidence rate and days away, restricted and transferred rate of nearly 800 ABC members. To support this effort, the ABC San Diego Chapter Safety Committee began requiring the OSHA Form 300A to be submitted with all new membership applications. ABC's goal is to provide a pathway to achieve an average total recordable incidence rate of less than one.



TRIR Trend Data for STEP v. Industry (2007–2011)



STEP Diamond and Platinum TRIR for 2012

In 2012, STEP Diamond participants, the newest STEP level added in 2011, had average Total Recordable Incidence Rates (TRIR) more than 91 percent below the industry average. STEP Platinum participants were more than 75 percent below the industry average.

Average Industry TRIR: 3.9

STEP Diamond TRIR: 0.34

STEP Platinum TRIR: 0.97

ABC also launched an industry-wide effort to promote drug- and alcohol-free construction jobsites by providing companies and organizations with the resources to implement substance abuse policies into their business practices. ABC, Associated General Contractors, Construction Users Roundtable, Construction Industry Round Table and Women



Construction Owners and Executives comprise the Construction Coalition for a Drug- and Alcohol-Free Workplace (CCDAFW).

CCDAFW urges construction-related firms and organizations to sign an online pledge, at www.drugfreeconstruction.org, signifying they will create and maintain a workplace free from substance abuse. The ABC Heart of America Chapter helped support this effort by including the pledge on all membership applications and renewals.

An Industry Built on Safety

ABC believes safety regulations are crucial to the success of the construction industry, that they should be thoughtful and not overly burdensome, and that the best way to achieve this is for regulatory agencies to work cooperatively with the industries they regulate.

In 2012, ABC seized every opportunity to create a cooperative environment between OSHA and employers. For example, ABC supported the Voluntary Protection Program Act (H.R. 1511), which would codify the Voluntary Protection Program (VPP), expand it to include more small businesses and incorporate recent recommendations for program improvements.

In response to a June House subcommittee hearing on OSHA's enforcement agenda, ABC pointed out that thousands of its members have implemented safety programs that are among the best in the industry, often far exceeding OSHA's requirements. In addition, many ABC chapters and members are regional administrators for OSHA Challenge, a program that allows companies to prepare for entry into OSHA's VPP.

In 2012, 19 ABC chapters had formal or informal agreements with local branches of OSHA in an effort to achieve zero-incident workplaces. They were: Arizona Builders' Alliance, Central Pennsylvania, Central Texas, Delaware, Florida First Coast, Florida Gulf Coast, Greater Houston, Indiana, Keystone, Massachusetts, Minnesota, New Orleans/Bayou, Ohio Valley, Pelican, South Texas, Southeast Texas, Southeastern Michigan, Texas Coastal Bend, TEXO.

ABC HELPS MEMBERS DELIVER WORK ETHICALLY

Resources for Members to Educate Their Employees

Throughout the year, ABC educated its members on the rules and regulations that impacted their businesses; provided model policies members could adopt after making appropriate modifications with the help of their legal counsel; and offered members resources to educate and train their employees.

In 2012, ABC launched the Academy of Construction Ethics, Compliance and Best Practices, a member-only online library of free compliance and best practices webinars, as well as educational resources related to rules and regulations that impact the construction industry.

ABC also provided chapters and members with information on ethics and accountability, talent management, leadership, recruitment and retention, governance, and planning

programs and organizations during its November Institute for Leadership and Professional Development in Austin, Texas.

Using a \$50,000 grant from the Turner Foundation, Inc., which ABC received for the third year in row, ABC expanded the use of its Green Building Toolbox Talks, 15–20-minute training sessions members can use to educate employees on green construction practices.

The grant also was used to develop education and training tools to increase member awareness about the new International Green Construction Code (IgCC) and its impact on contractors and their construction practices. ABC held two webinars on the IgCC following its release in March.

In addition, ABC offered members and attorneys insights and updates on the NLRB's and DOL's federal labor agenda and other crucial regulatory and legal issues at its Attorneys Conference in Washington, D.C.



The Academy provides members with the on-demand information they need in the format they want, including webinars, articles and frequently asked questions.

Members can:

- Register for upcoming webinars
- Watch archived webinars
- Learn best practices
- Get compliance information
- Find out about upcoming rules and regulations
- Read relevant studies

On topics such as:

- Workplace Safety
- HR Policy
- Procurement
- Green Building
- Health Care
- And More

NEWSLINE



Advocating for a Smarter Health Care Law

In June, the U.S. Supreme Court upheld the constitutionality of the Patient Protection and Affordable Care Act (PPACA).

ABC strongly advocated for repeal because PPACA fails to successfully address the issue of rising health care costs. As part of the Employers for Flexibility in Health Care Coalition, ABC and its coalition partners offered input regarding the development of workable regulations that maintain employer-sponsored coverage as a competitive option for all employees.

In addition, ABC and Merit Choice Insurance kept members up to date during the implementation process by providing compliance checklists and information on PPACA provisions that took effect throughout the year. Updates were available via *Newsline*, quarterly regulatory alerts and targeted emails to members. In September, ABC offered a webinar on how the health care law impacts ABC members as part of the Academy for Construction Ethics, Compliance and Best Practices.

Merit Choice Insurance

Merit Choice also expanded its coverage in 2012 to offer members an exclusive deal on professional and pollution liability insurance designed specifically for ABC's small and mid-size members. This insurance offers simplified underwriting and pricing, as well as discounts up to 65 percent.

In addition, Merit Choice continued to serve as a member resource for compliance information on federal and state prevailing wage laws, including holding several webinars and seminars on prevailing wage compliance and helping more than 100 members set up compliant fringe benefit programs.

Improving the Tax System

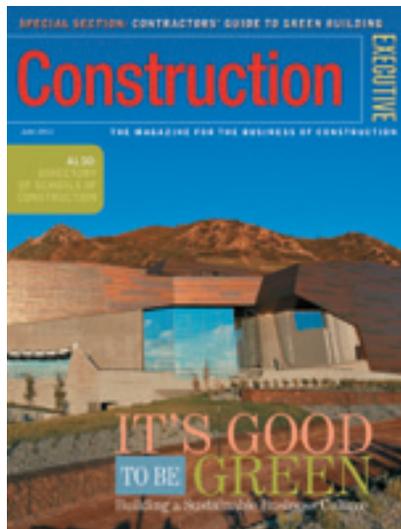
In 2012, ABC took every opportunity to encourage Congress to stop the impending fiscal cliff that threatened grave economic consequences if the Bush-era tax rates were allowed to expire at the end of the year.

ABC, on its own and as part of a multi-industry effort, fought against measures that would have resulted in a massive tax increase on business income, capital investment and family succession, and advocated for the extension of current policies with a pathway to fundamental reform.

Leading up to the end of the year, ABC hosted webinars and provided updates to members on what they could expect going forward in *Newsline* and *Construction Executive*.

On Jan. 1, Congress finally passed legislation to permanently extend Bush-era tax policies for most income levels, softening the blow of the fiscal cliff, but delaying talk of spending cuts until March 2013.

ABC and its coalition partners succeeded most notably in locking in a lower estate tax rate while preserving the inflation-adjusted \$5 million exemption level and maintaining portability.



ABC HELPS MEMBERS DELIVER WORK PROFITABLY



Creating a Pathway to Attract and Develop Talent

Improving the skills of the construction workforce helps ABC members ensure their staff is well-trained, which enhances productivity and ultimately benefits the worker, the company and the client, as well as creates positive word-of-mouth marketing.

To help with training, ABC offered members updated DOL-approved National Model Apprenticeship Standards that allow distance learning; competency- and technology-based language; a hybrid interim credential carpentry program; and reduced payment of benefits as part of the wage and fringe benefits ratios to help members save money on Davis-Bacon and prevailing wage projects.

On a local level, ABC chapters submitted the revised standards to their individual offices of apprenticeship and State Apprenticeship Councils, and worked with them to resolve inconsistencies between the federally accepted guidelines and local guidelines. In addition, ABC was able to continue its work with the DOL on craft training by regaining its seat on the Advisory Committee on Apprenticeship.

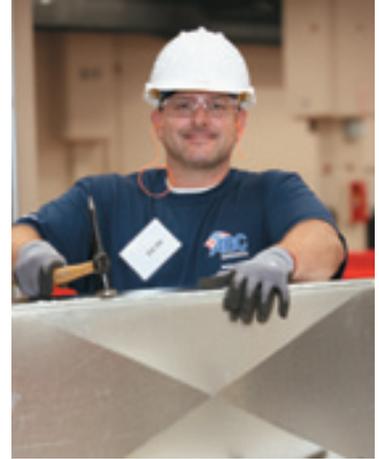
ABC member companies and chapters—including Golden Gate, Delaware, Florida East Coast, Chesapeake Shores, Baltimore Metro, Minnesota, Heart of America, Eastern Pennsylvania and Greater Houston—continued their involvement in the ACE Mentor Program of America. This program matches high school students across the country with volunteer mentors—such as architects, engineers and construction managers—to encourage the students to pursue a degree in construction-related fields and eventually join the industry.

In addition, Turner Industries, an ABC member, partnered with the Pelican Chapter to help introduce 11,000 students into careers in construction.

ABC also joined forces with Build Your Future to launch the Build Your Future Career Center, which allows ABC members to post jobs and easily verify job applicants' NCCER credentials. Build Your Future supports the Choose Construction Initiative.

To help connect construction students with ABC members in need of skilled workers, ABC held its annual Careers in Construction job fair in April. More than 100 students and 20 member companies participated in the career fair.

All of these efforts resulted in a more skilled workforce available to ABC member companies.



Enhancing Industry Productivity and Lowering Costs through Training

ABC worked to help its members become more profitable, enhance industry productivity, and create efficiency and eliminate waste by providing training for the construction workforce.

Throughout the year, ABC offered a free webinar series for small and emerging contractors as part of its Academy for Construction Ethics, Compliance and Best Practices. Each webinar was designed to help ABC's smaller members develop, sustain and improve their businesses and remain competitive.

Additionally, ABC's peer groups brought members together to solve problems and share ideas, with the help of similar, non-competing companies.

ABC also produced a white paper in 2012 that will help guide ABC's efforts in 2013 in training and education, curriculum development, credentialing and outreach to schools.

According to training and outreach data from ABC chapters and educational affiliates, ABC chapters have provided craft and apprenticeship training to more than 25,000 people, the OSHA 10-hour course to about 9,000 people, the OSHA 30-hour course to about 3,000 people and other safety training programs to about 23,000 people. Chapters also supported nearly 1,000 secondary and post-secondary schools.

In addition, ABC Accredited Quality Contractors (AQC) excel in five key areas of corporate responsibility: quality, safety, employee benefits, training and community relations. ABC is taking the AQC program to the next level in 2013 by strengthening the criteria and ensuring the program provides enhanced member benefits.

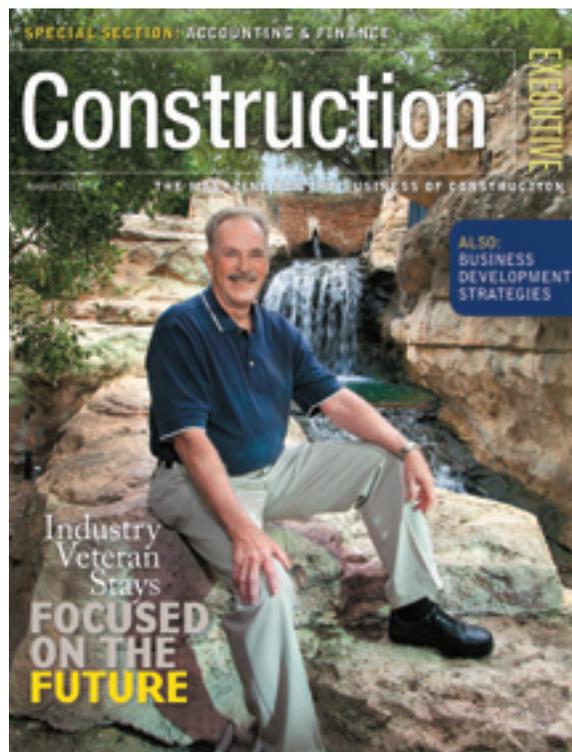
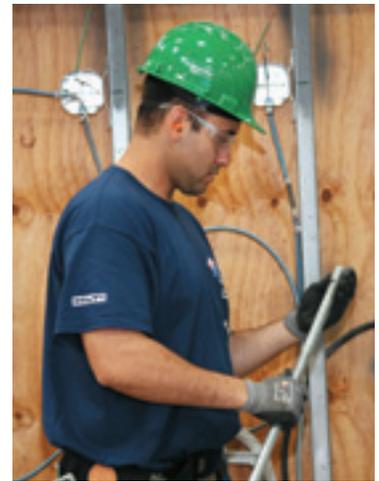
Showcasing the Talent of Trainees

Students and craft apprentices had several opportunities to showcase their skills and measure them against their peers in 2012.

In April, ABC held the National Craft Championships (NCC), during which a field of 127 apprentices competed for top honors in 12 competitions. Competitors first took an intense, two-hour written exam and then competed in daylong hands-on practical performance tests in 10 crafts: residential/commercial carpentry; electrical (residential/commercial and commercial/industrial); fire sprinkler; HVAC; insulation; millwright/industrial maintenance mechanic; pipefitting; plumbing; sheet metal; and welding (pipe and structural).



▲ Harold W. Bagley, an electrical and instrumentation instructor at ABC's Pelican Chapter, was named Craft Instructor of the Year.



▲ ABC named Joseph Poynter, a foreman for Cincinnati-based Prus Construction Company, as its Craft Professional of the Year.



Teams from ABC's Student Chapters compete during the Construction Management Competition, held in April 2012, in San Antonio. Florida International University was awarded first place.



ABC's Student Chapters also were given a chance to shine during ABC's EdCon & Expo, where Western Carolina University was named the Student Chapter of the Year.

In addition, teams of students from 25 colleges and universities competed for more than \$6,000 in cash and prizes during ABC's Student Chapter Construction Management Competition. Students went head to head in three areas: project management/scheduling, estimating and safety. Awards were given in each area, along with an overall award for the highest total points. Florida International University took first place.

ABC also named Joseph Poynter, a foreman for Cincinnati-based Prus Construction Company, its Craft Professional of the Year. Harold W. Bagley, an electrical and instrumentation instructor at ABC's Pelican Chapter, was named 2012 Craft Instructor of the Year.

In 2013, ABC is introducing the 21st Century Workforce Development Conference, to be held in April/May in Birmingham, Ala. The conference will include the NCC in addition to two-and-a-half-day educational academies geared toward green building, human resources, jobsite management, safety and workforce development professionals. For 2013 only, ABC will hold two CMCs and two career fairs—one during the conference and one later in the year—as those events are transitioned from the spring to the fall.



ABC Members Save More Than \$20 Million on Products and Services

ABC members held onto more profits in 2012 by taking advantage of discounts provided through ABC's Business Partner program.

In addition to its extensive suite of Business Partners offering discounts on vehicles and fuel, business services and products, personnel services and products, and contract documents, ABC signed new Business Partner agreements with:

- Chrysler, to offer significant savings on many Chrysler, Dodge, Jeep and Ram Truck brand vehicles;
- FirstLab, to provide extensive resources in performing and managing alcohol and drug screening, background investigations and occupational health needs; and
- The Design-Build Institute of America, Construction Management Association of America and Engineers Joint Contract Documents Committee, to round out

ABC Discounts Offset the Membership Fee

Every business is different, but every contractor has expenses. Here's how much a typical contractor with 15 employees can expect to save in one year with just a few of the ABC member business discounts.

Example of Savings for a Contractor with 15 Employees

Product or Service		Savings
Chevrolet Cargo Van	1 vehicle	\$1,000
FedEx Shipping	2 envelopes/week	\$628
Verizon Wireless Service	7 cell phones	\$980
Aramark Apparel Rental	8 rentals/week	\$850

Total Savings for Year: \$3,458

ABC's partnerships with contract document providers. Now, members can get discounts on five sets of contracts, including through existing partnerships with the American Institute of Architects and ConsensusDocs.

Sensible Regulations to Help Members Prosper

ABC has long advocated for improvements to the federal regulatory process. In 2012, the association supported efforts to create procedures to help ensure new regulations are cost-effective, thoughtful, and reinforced by scientific data and evidence. ABC also worked to revise or eliminate rules and regulations that were overly burdensome and ineffective.

As a result of ABC's efforts, a continuing appropriations resolution was signed funding federal agencies for the first six months of fiscal year 2013 that includes restrictions on DOL rules addressing H-2B temporary worker wage calculations and musculoskeletal disorder (MSD) reporting requirements. The resolution restricts the DOL from implementing a January 2011 final rule on H-2B wages that would have replaced the current methodology for establishing wage rates with a system emphasizing the Davis-Bacon Act. In response, the DOL announced in October it would postpone the effective date of the rule until March 2013. A lawsuit to block the rule also is pending in a Florida district court.

The continuing appropriations resolution also prohibited the DOL from pursuing an OSHA proposal on MSD reporting. Under the proposal, the agency's injury and illness reporting forms would have been revised to include an additional reporting column for MSDs. ABC opposed the change due to the vague and subjective definition of what would constitute an MSD, in addition to the hardships it would impose on businesses. OSHA temporarily withdrew the proposal in January 2011, but reserved the right to revisit the proposal until the appropriations resolution was signed into law.

ABC also continued its campaign to prevent the Environmental Protection Agency (EPA) from expanding its Lead Safe Renovation, Repair and Painting Program (RRP) to include commercial buildings. The earlier RRP rule requires contractors performing renovation, repair and painting projects that disturb more than 6 feet of lead-based paint in most pre-1978 homes, child care facilities and schools to be certified and follow specific work practices to prevent lead poisoning. In September, the EPA delayed the proposed expansion for nearly three years as part of a settlement agreement.

In 2013, ABC will continue to monitor the regulatory landscape and offer input where appropriate.

FOR THE BETTERMENT OF OUR COMMUNITIES



Marine Corporal Chuck Donnolly cuts the ribbon as he prepares to see the renovations ABC New Hampshire-Vermont Chapter members and “Building Dreams for Marines” completed on his home.

ABC Helps Veterans Gain Construction Skills

As part of its continued goal to train veterans in construction-related skills, ABC met with the U.S. Department of Defense’s Employers Support of the Guard and Reserve on transition training and employment of National Guard members. ABC also attended the DOL’s Advisory Committee on Veterans’ Employment, Training and Employer Outreach meeting to network with key industry leaders that are focused on veterans’ employment.

In addition, ABC joined USA Cares to launch a boot camp at the ABC Illinois Chapter where military veterans participated in a seven-week electrical training program. When they graduated from the program, students were ready to work on a jobsite as industrial electrical apprentices with ABC member Professional Labor Support—which, along with various other ABC member companies in Illinois and Indiana, funded the students’ salaries during the program. Boot camp graduates also were placed into a traditional apprenticeship program. After graduation, all found jobs with ABC members companies.

Partnering with Charitable Organizations

Each year, ABC chapters and members take time out of their busy schedules to give back to their communities. This year, projects benefited charitable organizations, families, kids and those affected by natural disasters.

Some of the projects included rebuilding homes, walks for organizations such as the American Cancer Society, and events such as a car show and a celebrity golf tournament. In addition, ABC member Mayer Electric gives employees 12 hours of paid time off to volunteer, and other companies promise to match staff donations to the employees’ charity of choice.

Providing Relief in the Wake of Disaster

As an extension of ABC Cares, ABC continued its disaster relief program by aiding the efforts to rebuild after the Alabama tornados in March and Hurricane Sandy in October.

Through a partnership with the American Red Cross, chapters and members can use a simple and trustworthy avenue to help those affected by disasters around the country.

In addition, Several ABC member companies engaged in relief efforts from disasters, and ABC’s Free Enterprise Alliance sponsored a volunteer as part of Team Rubicon, an organization that uses the skills of veterans and medical professionals to offer support to victims of disasters.



▲ Choate Construction, from the ABC Carolinas Chapter, raised money for the Cystic Fibrosis Foundation at an event called “Cars and Q for the Cause,” featuring custom cars and barbeque.

◀ The ABC Oklahoma Chapter donated Christmas presents to more than 150 kids who have a parent currently serving in Afghanistan.



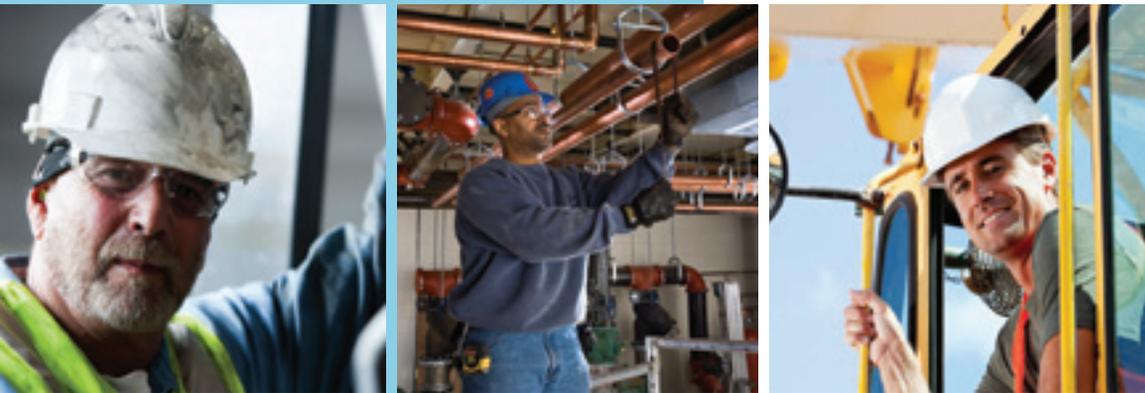
The ABC New Orleans/Bayou Chapter’s “Cure Dat” team gathers before the annual Making Strides Against Breast Cancer Walk.

Are Your Benefits Working For You?

Your employee benefit plan can help you attract and keep a better work force, and a cost-effective program assures that you're getting the best value for your money.

The ABC Merit Choice team of insurance professionals can provide you with the best plan selection for the lowest available cost. Plus, you can rely on us for expert advice and value-added services.

We've been building better benefits for ABC member construction firms for 56 years. Now you can put our expertise to work for you! Request your free quote today! Put the Power of ABC Merit Choice to work for your company.



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- Merit Choice has helped more than 200 members with their prevailing wage fringe benefits compliance over the past three years. Call now for a free compliance review
- More than 500 members participate in the ABC Insurance Trust Get your quote today and find out why

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LOOKING FORWARD: 2013

Each action ABC took throughout 2012 supported our value proposition and 2013 will find us doing more of the same – helping you succeed.

To ensure we stay on that path, ABC designed and deployed a best-in-class strategic planning framework and the output of that framework became ABC's long-term objectives:

- **Be an organization based on delivering the highest value to our members:**

Founded on the merit shop philosophy ABC will continue to help you, our members, win work and deliver that work safely, ethically and profitably for the betterment of the communities in which we work.

- **Establish ABC members as the standard for safety in the construction industry:**

We will do this by positioning STEP Plus as a best practice standard for safety in the construction industry and laying the groundwork for members to achieve best-in-class results. ABC and the Construction Coalition for a Drug- and Alcohol-free Workplace also will continue to advance the goal of establishing workplaces free from substance abuse.

- **Increase the political influence of ABC so we can continue to advance the merit shop philosophy:**

Fourteen states had government neutrality legislation in place at the end of the 2012 and Indiana and Michigan became the country's most recent Right to Work states. Over the next few years, ABC will continue to advocate for government-neutrality legislation in our states and with the federal government. ABC also will continue to support Right to Work efforts on the state level.

- **Be the leading force in the construction industry for workforce development and training:**

All of our members should have access to the recruiting tools necessary to identify and attract the right employees and also the tools to train and develop their employees. As we strive to ensure those resources are available to you, we will work to have custom craft training accepted by local, state and federal regulators.

- **Grow ABC's membership in order to strengthen our voice:**

Members are our lifeblood and we will continue to identify and develop under-served membership sectors and align the diversity of ABC with that of the industry.

- **Be an effective and efficient organization by using quality data to make wise decisions:**

We will ensure all of the above efforts are built on a foundation of reliable data and we will use that data to tell the ABC story with accurate, relevant and timely facts and information. This will help us benchmark our progress to make sure we stay on track throughout 2013 and beyond.

ABC is looking forward to another great year. We hope you will join us on our journey!



Greg Hoberock
2013 ABC National Chairman
hth companies, inc., Union, Mo.



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and Contractors, Inc.**

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