State Representative Harvey Hilderbrand discusses the House Committee on Ways & Means as well as ABC’s influence in the Texas Legislature.
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Dear ABC of Texas Member,

It’s a little over halfway through my term as your ABC of Texas Chair. The Board has worked hard and is making progress with meeting the goals we set at our Strategic Planning session. At the Planning session, we created two task forces to concentrate on two challenges we identified—Legislation Review, and PAC. This issue of Texas Merit Shop Journal features reports from each of those task forces.

We are right in the middle of the general election season so this issue also features articles on the importance of that election from both state and national perspectives. Again, I want to issue a personal challenge to each and every ABC member to get involved in legislative and judicial races in your area. Our motto is “Get Into Politics of Get Out of Business.” If you want to affect the direction of our country and state, now is the time to get involved and stay involved.

The Board has been working very hard over the last 4 years to make ABC of Texas a more effective organization. There has been a lot of hard work expended on this effort by many current and past board members. Steven Schultz, President of the South Texas Chapter, offers his perspectives, in this issue, on what progress has been made over that time. Much of that progress is due to having a full time President in Austin. I believe his perspective gives us a very good insider’s look at what he thinks was important about our efforts.

The current list of issues for the upcoming 83rd Texas Legislative reflects the Board’s priorities. The July magazine covered the top 4 issues and this magazine covers the balance of the issues we identified. Naturally, other issues will surface and your ABC Board and Chapters will be determining our position and level of effort as we move forward. Also, we are currently working with other trade associations on several important issues. In any case, I am confident that I speak for the rest of the Board when I encourage you to raise any issues affecting the construction industry or free enterprise principles with your local chapter Board so those issues can get communicated to us if appropriate. ABC’s strength comes from its members staying active in the organization. Your input can only make us stronger and more effective.

Michael A. Gremillion
2012 ABC of Texas Chairman
Vice President – Houston Office
ISC Constructors, LLC

Learn more about ABC of Texas, visit our website at www.abctexas.org.
Dear ABC of Texas Member,

This issue of Texas Merit Shop Journal features a One-on-One with the Chairman of the Texas House Ways Committee, State rep. Harvey Hilderbran. I’ve known Harvey longer than either of us will acknowledge. I can assure you that we are lucky to have people like Harvey serving in the Texas Legislature.

Of course, the emphasis of this issue is the upcoming election. We have articles by our state lobbyist, Mike Toomey, and Chris Singerling, Senior Director of Political Affairs at ABC National.

We have been encouraging our local chapters to become more involved in state level elections in their areas. If you want to be involved, contact your local chapter staff. Fortunately, the list of highly contested elections is minimized this cycle as a result of the recent redistricting. But, there are opportunities to advance or protect candidates who support free enterprise and the merit shop philosophy in almost every chapter’s area.

Also in this issue is a continuation of the list of priority issues for ABC of Texas in the 83rd Texas Legislature which begins next year. Our Board spends the better part of a day identifying and prioritizing these issues about 9 months out from the session. Then, the Board constantly reviews the list to make sure the priorities are properly aligned immediately before the Texas Legislature convenes.

During the legislative session this next year, we will be trying something a little different. Instead of having a reception and Legislative Day early in the session, we are moving our Legislative Day a little later so we can better identify bill numbers for our members to advocate. Earlier in the session, we are planning a joint reception among several construction industry associations to which our members will also be invited. One of the purposes of the joint reception is to better acquaint legislators with the different construction industry associations and who we represent. The Legislative Day is scheduled for March 6, 2013 with rooms available for the night of March 5. At this point, the joint reception should be the first week of February.

As always, ABC of Texas is here to serve the interests of the construction industry in Texas by advocating free enterprise and the merit shop philosophy. Let me know what we can do better.

Sincerely,

Jon Fisher
ABC of Texas
President
A BC of Texas has undergone a number of changes over the last four years. These improvements are a foundation upon which to build a stronger, more vibrant and effective state association. We are already noticing positive results.

This all started with a board strategic planning process. Issues discussed in the first session focused on who we are, what we want to be, and how we get there – basically a SWOT (Strengths, Weaknesses, Opportunities, and Threats) session. Subsequent sessions built upon that initial meeting creating a dynamic strategic plan that can be tweaked as needed based on internal and external factors. Internal factors could be board make-up, individual chapter leadership (staff and volunteer), membership growth, volunteer involvement or available resources. External factors could be legislation passed/defeated, political make-up, other associations, the economy or national issues. Now task forces are appointed with a focus on individual priorities that fit into the overall mission of ABC of Texas as part of this dynamic strategic plan.

One of the first goals was hiring a full time State President, Jon Fisher. This has allowed ABC of Texas to have a presence and a voice at various Senate and House committee hearings, interim study groups, state agency meetings, sessions with other business associations and with key leadership in Austin. The state president is able to coordinate with our state lobbyist Mike Toomey in his efforts. Another major benefit is we have someone able to coordinate communications with the ABC chapters across the state. For chapter presidents with limited staff and time this is welcome (sometimes). The occasional reminder e-mail or phone call, the request for information and input, the heads up on some critical issue, all help us be more effective and efficient at our jobs.

Our second goal was to become a force in Austin. We have become more effective in securing passage of legislation important to the construction industry and the defeat of bills that would harm the industry. The 2011 Texas Legislative Session was ABC of Texas’ most successful in history. As an association that represents the entire construction industry, ABC chapters in Texas are able to openly discuss positions on legislation, identify areas of compromise, draft potential amendments, develop strategy, identify possible pitfalls and help form alliances.

As an association that represents the entire construction industry, ABC chapters in Texas are able to openly discuss positions on legislation, identify areas of compromise, draft potential amendments, develop strategy, identify possible pitfalls and help form alliances.”

Another goal was to increase the effectiveness and size of our state Political Action Committee (PAC). By working with the various chapters the ABC of Texas PAC can focus on maximizing our impact by making better use of limited resources. The PAC has also increased in size. This has resulted in more pro-business candidates being elected, including ABC members!

Communication with our members, the construction industry, the Texas Legislature, state agencies and other business associations has also improved. The timely updates and reports from our state president, Jon Fisher, and our long-time lobbyist, Mike Toomey, help keep the membership informed, and prepared in case there is need for an “Action Alert.” Another great example is this magazine. Every elected official receives a copy. They know who we are and know our issues. It’s great to visit an elected official’s office and see the state magazine on display. It’s even better that they ask us to be in the magazine.

ABOUT THE AUTHOR:
Steven Schultz is the ABC South Texas Chapter president, and has been for past 17 years. Prior to coming to ABC, he was with the Greater San Antonio Chamber of Commerce for 16 years. He graduated from Trinity University with a BS in Business Administration in 1978. You can reach Steven at steve@abcsouthtexas.org.
Your 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 Company Savings

<table>
<thead>
<tr>
<th>Product or Service</th>
<th>Product or Service</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chevrolet Cargo Van</td>
<td>1 vehicle</td>
<td>$1,000</td>
</tr>
<tr>
<td>FedEx Shipping</td>
<td>2 envelopes/week</td>
<td>$628</td>
</tr>
<tr>
<td>Verizon Wireless Service</td>
<td>7 cell phones</td>
<td>$980</td>
</tr>
<tr>
<td>Aramark Apparel Rental</td>
<td>8 rentals/week</td>
<td>$850</td>
</tr>
</tbody>
</table>

Total Savings for Year: $3,458

“Our construction business has 18 employees. Currently, we’re saving $4,176 with two of ABC’s discount programs, which more than pays for our membership dues.”

—Pamela Volm
Annapolis Contracting, Inc.

Saving You Money*

Tap into exclusive discounts for ABC members and save on business services and products you’re already purchasing.

- **General Motors** – Save up to $1,000 per vehicle on top of other incentives
- **Verizon Wireless** – Save up to 20% on mobile phone plans
- **FedEx** – Save 29% on overnight delivery services
- **Ford** – Save up to $2,500 per fleet vehicle on top of other fleet discounts
- **Aramark** – Save 20% on safety apparel
- **And More!** – See all the vendors and get the most current program updates at www.abc.org/discounts.

* Vendors and discounts subject to change.

Building Your Business

Take advantage of great resources and programs to grow your business.

- **Find A Contractor** – Lists your business on ABC’s online member database with powerful search tools
- **Accredited Quality Contractor** – Shows prospective clients that you have achieved a high level of corporate responsibility
- **Safety Training Evaluation Process** – Improves your company’s safety practices and can lower your workers’ compensation insurance rates
- **Excellence in Construction Awards** – Showcases your company’s best projects
- **Networking Events** – Connects you with contractors and leaders in the construction field
- **Peer Groups** – Share experiences with contractors from across the country

Keeping You Informed

ABC provides resources to help you stay current with the information you need to make better business decisions.

- **Construction Executive** – The magazine for the business of construction
- **ABC Newsline** – Weekly electronic newsletter for merit shop contractors
- **Local Newsletters** – Print and electronic publications of regional interest
- **Legal Resources** – Get help on labor and construction law issues
- **Construction Economic Update** – Stay current on news that impacts your business

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November 6, 2012 is a date most Americans have marked on their calendar. By the following day we will know whether Barack Obama or Mitt Romney will occupy the White House for the next four years. While Americans hold their breath waiting to see who the next President will be, it is important not to lose sight of State elections that affect us as citizens and business owners as much as, if not more than, what happens in Washington D.C. Your vote carries a greater voice in State politics. The decisions that affect you directly are implemented by the votes of State Legislators. The Judges that preside over business lawsuits based in Texas will interpret Texas law. State level decisions helped Texans weather the economic storm that brought record unemployment to other states. State politicians passed the laws that allowed Texas to become the best business climate in the United States.

Following the results of the 2010 census, the Texas Legislature redistricted the State to account for shifts in population. These districts have not survived initial judicial challenges and the November elections will proceed according to “interim” maps drawn by the court. Regardless, redistricting creates an odd election season. Incumbent running against incumbent, new districts with diverse demographics, and every Senator is up for reelection in the same year. This uncertainty often leads to electoral ambitions, making it especially important that businessmen are engaged in local elections to protect and enhance Texas’s business climate.

Last session, there were 19 Republicans and 12 Democrats in the Texas Senate. Each seat is technically up for reelection, but only 16 races feature major party opponents going toe-to-toe in November. Democrat Incumbents Wendy Davis (SD 10), Carlos Uresti (SD 19), and Juan Hinojosa (SD 20) will face the toughest competition. Republicans are optimistic that they can pick up at least one of these seats. If lightning strikes, it is possible for Republicans to pick up two seats pushing their majority to 21-10. This is an important number in the Texas Senate. The Rules of the Texas Senate require a two-thirds majority of members to bring any bill on the floor. The Democrat minority often uses this Rule to block consideration of popular legislation. This longstanding Rule has been under attack by recent Senators, but has so far survived. Some argue that the Rule exists to prevent tyranny by the majority while others argue that the Rule grants the minority too much power to halt legislation that is supported by Texans and is undemocratic. This debate will become moot if Republicans gain two seats. However, if the Senate ends up divided 20-11, we can expect renewed efforts to eliminate the two-thirds majority.
The Texas House of Representatives has 54 races that are contested by both major parties. Last session, there were 101 Republicans and 49 Democrats. Republicans are expected to lose several seats due to redistricting drawn up in the courthouse instead of the Statehouse. They could have anywhere between a 90-60 majority or a 100-50 majority in the upcoming Legislature. The House, unlike the Senate, operates on a strict majoritarian basis. A strong Republican House will make pro-business legislation more likely to succeed.

There are several important judicial races that businessmen must keep their eye on. Texas has passed sweeping and effective tort reforms, but businessmen are all too aware of the times where many areas of Texas were considered judicial nightmares. State law is only as effective as those who interpret it.

There are a number of contested Texas Appeals Court races to keep an eye on. The Fourth Circuit and Third Circuit Courts of Appeals have races that are expected to be hard fought. In the Third Circuit, which serves Austin and much of the surrounding area, there are four contested races. In the Fourth Circuit, which serves San Antonio and 32 counties in the South Texas area, there are five contested races. Plaintiffs’ lawyers are expected to get heavily involved in these and other Court of Appeals races. It is important for businessmen to thwart plaintiff attorneys’ efforts to elect judges that will discriminate against businesses and create precedents on which other courts can rely.

**ABOUT THE AUTHOR:**
Mike Toomey is the longtime ABC of Texas lobbyist and has the distinction of being the only individual in Texas history to have served as chief of Staff for two Texas Governors. He is a former State Representative from Houston and was voted in Texas Monthly magazine’s “Top Ten Legislators”. Mr. Toomey is a strong supporter of Tort Reform in Texas and is widely acknowledged as one of the most respected and effective lobbyists in the State of Texas.
One on One With...

STATE REPRESENTATIVE

HARVEY HILDERBRAN

Rep. Harvey Hilderbran was first elected to the Texas House of Representatives in 1988 and was most recently re-elected in 2010 to serve the people of District 53. He is chairman of the House Ways and Means Committee and is a member of the Redistricting, State Affairs, and Voter Identification and Voter Fraud (Select) committees.

In 2011, Hilderbran authored and passed legislation that will generate over $294 million for the state without raising taxes. In 2008, he authored a comprehensive funding bill aimed at restoring excellence to the state park system and state historic sites. His “truth-in-taxation” bill guaranteed that revenue generated from the sporting goods tax would be used for much-needed park repairs and operations – just as the tax was originally designed to do. Hilderbran also served as chairman of the Health and Human Services Committee for three sessions. During that time he wrote and passed 1995’s landmark welfare reform legislation.

In 1997, he was instrumental in passing the state’s most significant legislation protecting residents of Texas nursing homes.

In the private sector, Rep. Hilderbran has worked in real estate, ranching, advertising and business management and marketing. Born in Uvalde in 1960, he is a 1983 graduate of Texas Tech University. He lives with his wife, Tracy, and their two daughters in Kerrville, where they are members of St. Peter’s Episcopal Church.

Q: Last session, you chaired one of the most powerful committees in the Texas House—the House Committee on Ways & Means. What can you share with us about that experience?

A: Serving as chairman of Ways and Means helped me accomplish many of my goals for the session, and I was honored that the Speaker chose me for the position. I was able to author and pass legislation that generated literally hundreds of millions of dollars just by improving efficiency in our state government and making the tax code more effective. Rather than raising taxes, we encouraged compliance with tax laws, increased tax penalties, closed loopholes, and changed collection timelines. I was also able to pass legislation to help keep jobs in the state and encourage job growth. We entered the last legislative session facing a massive budget shortfall, and by the end it was considered to be one of the most successful sessions in our state’s history. We were able to pass a balanced state budget without raising taxes, we cut spending, and we preserved the Rainy Day Fund. I look forward to building upon these successes in 2013.

Q: What do you see as the biggest challenges facing the state going into the next Texas Legislature in 2013?

A: I’m cautiously optimistic. Financially, we are going to be in much better shape at the start of this session than we were in 2011. We are going to have at least $5 billion in general revenue surplus and around $9 billion in the Rainy Day Fund. We need to take this opportunity to focus on some of the long-term challenges we face, such as water, power, and transportation infrastructure. We need to be smart and frugal, but we have got to develop the infrastructure necessary for our state’s growing population. That is going to be one of our main challenges. We also need to continue working for predictable and fair business regulations, and we need to improve education – both in the classroom and in workforce development. We’re encouraging business growth, but we need to make sure that we are also providing the skilled labor new businesses require.

Q: What do you see as the greatest challenges facing the construction industry and merit shop and free enterprise advocates in the next Texas Legislature?

A: The construction industry is going to be interested in a lot of the economic legislation we will look at, particularly those bills related to business establishment, growth, and development. For example, we’re likely to see more legislation that fights frivolous
lawsuits, and my committee is going to be looking at the margins tax. The goal is to make our state’s tax system fairer and to support business ownership and expansion. Small businesses such as construction companies are responsible for creating the majority of new jobs in Texas, so we need to make sure that we protect them from over-taxation. These issues are going to be of interest to all merit shop advocates and free enterprise advocates, so these groups and individuals need to make sure they are visible and vocal when this type of legislation makes its way through the process.

Q: What are your personal priorities next session?
A: As chairman of the Ways and Means Committee, my main focus is going to be tax reform. Specifically, we need to make the margins tax fairer and simpler. This round of audits has shown how harmful and unfair the tax can be for Texas businesses, because we have similar companies paying different tax rates. We need to address issues related to the “cost of goods sold” deduction (i.e. qualifying costs/expenses), pass-through revenue, and retail definitions. These issues in particular are vital in making Texas a better place for trade and business development. I also want to make sure we continue preventing waste and inefficiency in government and ensuring the Texas tradition of a balanced state budget.

Q: You’ve been familiar with ABC for quite a while. Do you see ABC’s influence growing or diminishing in the Texas Legislature?
A: ABC’s influence continues to grow, and I have appreciated their increasing presence in the legislative process. Their involvement has grown substantially during the last few legislative sessions, and they have really helped promote free enterprise and capitalism. ABC has been building successful relationships with other associations, and this type of combined strength is always beneficial in achieving goals. I look forward to hearing from, and working with, ABC in 2013.
By now, most Americans have heard President Barack Obama’s campaign-trail claim that, “If you’ve got a business, you didn’t build that.” Nowhere is the president’s statement less true than in the building and construction industry, where Associated Builders and Contractors members literally build their businesses and our great nation every day.

Yet, even as ABC members show up to work day in and day out trying to make payroll, keep the lights on, and put employees to work, the current administration and its Washington, D.C. allies have spent four years enacting policies that are charitably described as “less than favorable” on the construction industry.

Whether it was ramming an unpopular health care law through Congress, enacting hundreds of new burdensome regulations, postponing the extension of much-needed tax relief, issuing executive orders favoring union-only Project Labor Agreements, or turning the National Labor Relations Board into a hyper-partisan political group, the entrenched proponents of big government are making it increasingly more difficult for businesses of all shapes and sizes to succeed in these difficult economic times.

After all that, we still hear from the President’s bully pulpit that “you didn’t build that.” That’s as wrong as his previous claim that, “the private sector is doing fine.” The economy is still extremely tough for commercial construction and the red tape seems to never stop falling on small business owners.

Given the out-of-step views of the President and his allies in Congress and an ever-growing regulatory machine, it is understandable that all political eyes naturally gravitate to the presidential campaign horse race and the campaigns of 33 Senate races. But defenders of free enterprise must cast our view much more broadly if we are to lay the foundation of an economic recovery accompanied by job growth.

Indeed, we must not only watch the race for the White House and the battle over the senior legislative chamber, but also make our voice heard in each of the 435 races for the House of Representatives seats. It will not just be the presidency that matters to the merit shop in 2013—to block or roll back burdensome regulations, repeal and replace the healthcare law, and extend growth-friendly tax rates, it will take a federal government that understands that its election mandate is to get out of the way and let entrepreneurs revive our economy.

This is what makes Texas so unique. With four new congressional districts (the most of any state in the union) because of congressional redistricting, a key Senate race and the biggest electoral prize in Governor Romney’s column, ABC member and employee engagement are critical.

Fortunately, the majority of Americans are with us and do not support these extreme views. Virtually every national poll shows 90% of the voting public have a favorable opinion of small businesses and entrepreneurs. When you stack that up against the roughly 10% that have a positive view of federal bureaucrats, it should be clear what direction our elected leaders should be taking our country.
ABC is offering resources to members to make their voices heard. One useful tool ABC rolled out this summer was ABCvotes.com, which serves as your online election one-stop-shop. The site offers a streamlined platform where you can find information on who is running for office in your state, where they are on the issues impacting our industry and—most importantly—the “Do’s and Don’ts” of talking to your employees about politics and the elections.

The best part about ABCvotes.com is that this is a resource you are able to share with all of the employees of your company. There are links to your state election sites where they are able to register to vote, request an absentee ballot and much more.

Just like on a jobsite, one person cannot do it all by themselves. It takes a team! That is why we as an organization must work together to make sure pro-business candidates are sent to Washington on November 6th.

We have provided you with the necessary tools to complete this task, but there is no one who can better communicate this message to your employees at every level in your company (Be sure to read commentary from an ABC member, “Having ‘Built It’, Entrepreneurs Must Talk About It”). It is important they understand not just the importance of participating in the electoral process, but how its outcome impacts your company and their job. Here are just a few quick things you can do to ensure that we get America back on the right track:

- Visit ABCvotes.com, review the “Do’s and Don’ts”;
- Share ABCvotes.com with your employees and encourage them to vote;
- Volunteer your time on a local campaign

There is a lot at stake this next month and it is going to take all of us to make sure candidates that support free enterprise and open competition are sent to Washington next year.

### ABOUT THE AUTHOR:

Chris Singerling is the Sr. Director of Political Affairs at the Associated Builders and Contractors national office. In this capacity he supervises, plans and directs ABC’s political action committee (ABC PAC), the Free Enterprise Alliance and national grassroots political efforts. He also oversees their Halt the Assault campaign and has appeared on numerous talk radio shows across the country. Chris brings more than 12 years of experience on Capitol Hill, including most recently as political director for Congressman John Boehner (R-Ohio). He has also worked for Congressman J.C. Watts (R-Okla), Congressman John Kasich (R-Ohio) and Congressman Tom DeLay (R-Texas).

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Associated Builders and Contractors, 4250 North Fairfax Drive, Arlington, VA 22203

www.abctexas.org
Last issue, our top four priority issues were discussed—Taxation; Statutory Employer; Education/Workforce; and Immigration. This article will focus on some of our other priority issues for the 83rd Texas Legislature in 2013. Many of these issues will develop depending on opportunity.

As you may recall, last session, we supported legislation dealing with a declining statute of repose for construction. The ABC of Texas Board believes it worthwhile to continue to support such efforts.

And, also last session, we were following legislation dealing with consolidated insurance program (CIP) standards. That legislation morphed into a simple CIP change (a 3 year completed operations coverage requirement) and ended up being the vehicle for prohibiting indemnity clauses in limited circumstances. Your ABC of Texas Board still believes there can be progress made in dealing with CIP standards in legislation. We will be working with other construction industry groups to develop language.

In the interim, we have been working with other construction associations to ensure retainage is available as construction trust funds. Currently, when a financial institution withholds 10% of the proceeds, giving the owner 90% and allowing the owner to pay 90% to the prime contractor, there is significant legal doubt as to whether or not the owner has “retained” the funds since (other than contractual retainage which is defined) retaining funds would strongly imply the funds were in the owner’s possession. If the funds are not in the owner’s possession, but withheld by the lender, the funds never become construction trust funds and are inaccessible in case of default or foreclosure. At the least, this seems to defy the logic in giving the owner protection from liens exceeding the amount of retainage (and the owner is not complying with the statute which requires the owner to retain 10%).

At an interim hearing before the House Business and Industry Committee in August dealing with the mechanics’ lien law, there was considerable discussion about this issue. Last session, the House bill on this subject died in the House Calendars Committee. The Senate bill passed the Senate and died on the House Calendar.

State Breach of Contract also remains an issue because it makes no sense to allow state entities, unlike local governments and school districts, to be able to sign contracts the state doesn’t have to honor.

Lien Law reform is another issue selected by the Board for possible action. Even though some other issues (like the Retainage/Trust Fund issue) overlap this broader issue, it may be possible to begin to address our complex and cumbersome mechanics’ lien law. As mentioned above, a House Committee is studying this issue.

Although not selected by the Board as priority issues, your state office does continue to seek opportunities to work with other groups on legislation which benefits the industry. Among those issues are providing transparency in cooperative purchasing networks, lender notice of default or foreclosure on construction contracts and portability of school background checks.

As you can see, the list of issues does not seem to get any shorter even though we made great progress in the 82nd Texas Legislature. If we watch carefully for opportunities and keep our priorities in mind, we should be able to achieve some more success in 2013.

The one mitigating factor is that any legislation failing to pass last session failed to pass because of significant opposition from other groups. Hopefully, we have made some progress in communicating with those groups and to the members of the Legislature the need to address these issues.

ABOUT THE AUTHOR:
Jon Fisher has been President of ABC of Texas since mid-2008. Prior to that he was senior vice president at Texas Chemical Council. He has led ABC of Texas in preparing plans for legislative sessions and participation in the Texas elections. Most recently, he helped ABC of Texas prepare a Strategic Plan for the next 4 years with emphasis on the next 2 years. To contact Jon, email jon@abctexas.org.
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Updated May 2012
**LEGISLATIVE REVIEW TASK FORCE**

“Get Into Politics or Get Out of Business,” has long been a motto of Associated Builders and Contractors and ABC of Texas is hard at work preparing for the 83rd Texas State Legislative Session starting January 8, 2013. ABC of Texas’ Legislative Review Task Force (the “Task Force”) has had several meetings this summer to organize its efforts.

The Task Force is working on: (1) identifying and refining the key issues that are important to ABC; (2) gathering legal and industry resources, including white papers, to inform chapter leaders and members of the importance of these key issues; (3) providing standard designations for organization and review of new legislation with ABC’s key issues in mind; (4) streamlining legislative review processes for more effective communication between the members, the chapters and the state leadership; and (5) appointing key liaisons between the chapters and the state leadership for consistent reporting, positioning and witness identification to support ABC’s key issues.

As the Chair of the Task Force, I would like to recognize the other members of the Task Force who have been and will remain instrumental in this process: Mike Gremillion (with ISC Constructors LLC and current State Board Chairman), Steven Schultz (President, ABC South Texas), Wes Johnson (Managing Partner of The Gardner Law Firm), Jack Baxley (VP of Government Affairs for TEXO)¹, Russ Garrison (Director of Institutional Construction for Sedalco, Inc.), and most importantly, Jon Fisher (President, ABC of Texas). The Task Force looks forward to working with ABC members, ABC Chapter leadership, the ABC of Texas Board members, Members of the Texas Senate and House of Representatives and their respective staff members in the coming months as we head toward the 83rd Legislative Session.

¹ TEXO is the construction association representing commercial contractors in North and East Texas formed from the consolidation of the North/East Texas Chapter of the Associated General Contractors (QUOIN) and the Associated Builders and Contractors North Texas (ABCNT).

**POLITICAL ACTION COMMITTEE (PAC) TASK FORCE**

ABC of Texas has a planning conference following each session of the Texas Legislature. The main purpose of the planning conference is to update the Strategic Plan. During the last ABC of Texas planning conference, it was decided to create a task force to address the challenges of increasing the size of our PAC and coordinating PAC activities of the participating Chapters within the State.

The primary goal set by the Board is for ABC PAC (the state PAC) to rank in the top Texas PACs to provide a voice in supporting Free Enterprise and Merit Shop philosophy.

The task force is focused on identifying ways to help make the best use of our collective PAC dollars distributed and to increase the size of the PAC. These goals are measured by the ability to coordinate efforts to raise funds from each ABC Chapter in Texas to help promote Merit Shop and Free Enterprise through our elected officials.

Areas that the PAC task force continues to investigate will include what events are being successful or can be held within different Chapters to help raise awareness and funds and what are the best practices for fund raising that can be shared and implemented within the Chapters around the State. The task force is also considering if a statewide event may be worthwhile.

The Board has already adopted a task force recommendation to provide better recognition of the statewide impact of PAC contributions by concentrating all PAC checks for state races at the state level. This does not impinge on local decision making, but is intended to better reflect our statewide participation in state level elections.

The task force meets periodically to address these issues and other PAC related items as they are identified. Coordinating the efforts around the State of each of the participating Chapters on similar issues and candidates that believe in Merit Shop and Free Enterprise has been and continues to provide successful results.
“Coming together is a beginning; keeping together is progress; working together is success,” as Henry Ford once said about the value of teamwork. ABC Greater Houston Chapter had the privilege of experiencing this on August 9th as they held the first ever Congressional Dialogue on Construction Industry Issues, a luncheon co-sponsored by nine different construction trade associations with the purpose of linking members with policy makers. Taking place at the Westin Galleria Ballroom, four of Houston’s Congressional members—John Culberson, Gene Green, Sheila Jackson Lee, and Pete Olson—engaged in a rich and informative dialogue with approximately 230 members from ABC, AGC, ASA, IEC, MCAA, NAMC, NAWIC, NECA, and WCA. Of the topics discussed were immigration reform, Project Labor Agreements, and health care reform to name a few. At the end, despite a panel dialogue that lasted a little longer than planned, the crowd, as well as our congressmen and congresswoman, left energized and commenting, “You all should do this every year!”

A week prior to the luncheon, ABC held its annual Casino Night at Minute Maid Park, benefiting the Scholarship Foundation, at Minute Maid Park in downtown Houston. While it may not be the Venetian or Bellagio, members enjoyed an evening “get-away” tossing dice and making bets with their peers. Along with gambling, members had the opportunity to enter several raffle drawings which included prizes such as an iPad, Keurig, and a giant liquor-filled cooler. As unorthodox as it may appear, what better way to raise over $12,000 for the association’s Scholarship Foundation than by spending the evening playing poker and blackjack with a good drink in hand… it’s all for the kids!

At the end of August, ABC members were raising money for a slightly different cause. As Chairman of the ABC Houston Board, Dwayne Boudreaux, said “there’s been a rumor that an election is coming up,” and time is running out! ABC’s Fall Clay Shoot on August 30th, put on to raise money for ABC’s PAC, gave members an opportunity to show off their marksmanship and enjoy some good barbeque and games. The event was held at the American Shooting Center near Katy and brought out over 100 shooters, leaving one male, one female, and one team to win 1st place. All together, the Fall Clay Shoot raised approximately $12,000 that will go towards vital races in the November election.

ABC INITIATIVES AROUND THE STATE

GREATER HOUSTON CHAPTER

ABC Greater Houston Members and guests enjoyed a festive evening of gaming for prizes during the 2012 Casino Night at Minute Maid Park. Proceeds raised at the event go toward the Scholarship Fund which helps college students pursuing a career in construction.

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CENTRAL TEXAS CHAPTER

ABC Central Texas had a Clay Shoot at Capitol City Trap and Skeet Club on August 24th. There were 22 teams that participated on two separate courses, so there was very little waiting in line. Architectural Division 8 cooked sausage wraps for all the shooters after they were through shooting. Portable Rental Solutions provided portable air to help cool everyone down while they were visiting and having dinner. Prizes were given out for 1st, 2nd and 3rd place as well as the top shooter. The 3rd place team was Rogers-O’Brien, 2nd place was Hagler & Kerr team, and 1st place was APCC. Corby Albright was the top shooter. Everyone was eligible for the door prizes that were given away during the event.

On September 6th, the Central Texas chapter held an Auction to raise money for the Association and the Folds of Honor. The Folds of Honor Foundation is rallying a nation to ensure no family is left behind in the fight to preserve American freedom. Through scholarships and other assistance, they give back to the spouses and children of soldiers killed or disabled in service to our country.
ABC Central Texas is honored to have them as their charity this year. There was a live and silent auction at the new Shoal Crossings Event Center in Austin. Items included autographed football jerseys by Earl Campbell & Ryan Tannehill, Roger Staubach autographed football helmet, fishing trips, hunting trips, Texas Motor Speedway tickets and hotel night, a Rolex watch, an over and under shotgun, fishing rods, Appaloosa Colt, rounds of golf and much more. Barbeque was served at the Denim & Diamonds Gala.

TEXAS MID COAST CHAPTER
This year, the Texas Mid Coast Chapter is celebrating 30 years of service to the construction industry and are proud to be building a new building—built by and for members, the chapter and the industry!

On August 16th, the Past Board Chairmen and current Board of Directors and members came together with gold hard hats and gold shovels to break ground on site where the new building will be built. It was an exciting and long awaited achievement for the Chapter. The new building will provide an opportunity for expanded services, and training and education opportunities. The Chapter recognizes members for their generous donations. These donors include Service Supply of Victoria and Service Supply Industrial - Gold Hard Hats; Zarsky Lumber Company, for building the sign; Sherwin-Williams Co., for painting the sign; Don Krueger Construction Co., for their help with the Gold Shovels and providing equipment for the site; and Lowe’s of Victoria for donating the shovels.

Crossroads residents and ABC Texas Mid Coast Chapter reminisced about a man who changed the very landscape of the region.

Donald Ray Krueger, founder and Board Chairman of Don Krueger Construction Co., recently passed away at the age of 81.

The longtime businessman was a big part not only of Victoria, but South Texas for 60 years and with his own company for 50 of those years. Don Krueger had a hand in more than 800 completed construction projects and more than $1 billion in work across South Texas.

He was one of the founding members in 1982 of the Texas Mid Coast Chapter of Associated Builders and Contractors of South Texas. He served as Board President of the organization in 1986, and was a lifelong supporter of the merit shop and of the free enterprise system in the construction industry. In January of 2010, Don and his long-time partner G. Troy Summerlin were honored with proclamations from both the City of Victoria and the County of Victoria for their many accomplishments and contributions in the Victoria area.

SOUTH TEXAS CHAPTER
The South Texas Chapter recently hired a new Marketing/Membership Director, Rachel Sralla, who joined the South Texas Chapter staff this past June. A graduate of Texas Lutheran University in Seguin, she has experience in developing marketing programs, special events and sales. In addition to membership recruitment and retention efforts, she will also oversee all chapter events, marketing efforts and social media. The website has been updated and refined, and there is now a South Texas Facebook and Twitter page. Even at this late date, the Chapter might even be able to show membership growth for 2012!
The 2013 chapter planning process has been underway for two months and concluded at the chapter’s annual board retreat in early October. The main focus of the planning efforts were on membership recruitment/retention, how to improve existing special events and identify potential new membership events, and board responsibilities and effectiveness. 2013 Chapter Chair Kathy Acock (Alpha Building Corporation) is excited about helping take the South Texas Chapter to the next level.

In August, the annual Excellence in Construction Awards banquet was held at the Westin La Cantera resort, where over 280 members and guests applauded this year’s winners in 21 construction categories, four STEP categories and the six individual chapter awards. The chapter also heard a special presentation on the Folds of Honor golf tournament fundraiser which the chapter membership will be supporting. This event is set for late October. Finally, by having the awards banquet in the hot summer month of August, the annual Sporting Clays Shoot & Barbeque Cook-off was moved to the cooler month of October.

The Fall Golf Tournament was held September 17 at the Fair Oaks Country Club where 188 participants played on two courses. The South Texas Chapter revived the South Texas Chapter Golf Challenge. This friendly competition between ABC chapters in Texas was won by the Coastal Bend Chapter.

The 2012/2013 Apprenticeship school year got underway the first week of September, with over 200 registered apprentices in five trades. For the first year apprentices, the first few months cover the core curriculum and an OSHA 10 Hour class as part of the comprehensive safety training.

The long hot summer months lived up to their reputation on the Gulf Coast of Texas. It was hot and steamy! But the month of June did not deter ABC members and friends from a weekend of fishing to support our community charity recipients. Proceeds from the 9th Annual In-Shore Fishing Tournament and the 23rd Annual Cook-off allowed ABC Texas Gulf Coast to award $6,000 to several local charities. In addition to these monies, the chapter is in the process of collecting clothing, particularly children’s coats, for the local schools. Later in the summer, Board President Buck Blevins and Immediate Past President Lisa Bundick Woods joined President Terry McAlister at the ABC Legislative Conference.

The new school year brought a pleasant upturn in registration in craft classes and other training. The Chapter saw a 50% increase in craft training done in partnership with our local community college. Likewise, the Chapter has doubled the number of classes offered at ABC.
Associated Builders and Contractors is a voice for members with state and federal agencies, on Capitol Hill and in state houses across America. Membership provides access to great insurance programs and to other business partnerships that save your firm money while increasing value for your employees.

Joining ABC provides access to top training and safety programs including access to ABC’s national safety partnership with the Occupational Safety and Health Administration (OSHA). Through ABC you can build and improve your business by networking with America’s top contractors while connecting with top owners.

Isn’t it time you joined the most exciting organization in the construction industry?

Visit www.abc.org
To Join an ABC Chapter Near You!