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Testimony of Paul Diederich

on behalf of

The Associated General Contractors of America

Presented to the

Subcommittee on Highways and Transit of the Transportation and Infrastructure Committee

on the topic of

Improving and Reforming the Nation's Surface Transportation Programs

March 30, 2011

The Associated General Contractors of America (AGC) is the largest and oldest national construction trade association in the United States. AGC represents more than 33,000 firms, including 7,500 of America's leading general contractors, and over 12,500 specialty-contracting firms. More than 13,000 service providers and suppliers are associated with AGC through a nationwide network of chapters. Visit the AGC Web site at www.agc.org.

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
2300 Wilson Boulevard, Suite 400 • Arlington, VA 22201 •

Mr. Chairman and Members of the Committee, thank you for the opportunity to present testimony on the Surface Transportation Reauthorization. I am Paul Diederich, President of Industrial Builders, Inc. in Fargo, North Dakota. My company was started by my father in 1953. Our company is a member of the Associated General Contractors of America (AGC) and I am currently serving as AGC's Vice President.

AGC is the largest construction association in the country, representing contractors that build all forms of infrastructure, including: highways, bridges, transit systems, airport terminals and runways, water and wastewater treatment facilities, underground utilities, public buildings, multi-family housing, office buildings, military facilities, water resource projects, energy production and conservation, and many other structures that are the backbone of the U.S. economy which provide and ensure U.S. citizens' quality of life. AGC represents more than 33,000 firms, including 7,500 of America's leading general contractors and over 12,500 specialty contracting firms. In addition, over 90 percent of the AGC membership is small businesses. Unfortunately, we have seen many of our members lay off people, cut back on purchasing and upkeep of equipment, and some are going out of business due to the ever shrinking construction marketplace.

My father testified in support of a highway bill twice, and this is my second time to testify before this committee. The reason I came here is to highlight the importance of continuing a strong federal role in transportation infrastructure investment in the United States of America. It is vitally important to a company like ours to have some certainty that there will be work to compete for on an ongoing basis.

We built our company one project at a time and one piece of equipment at a time. We built the company with an optimistic outlook. In addition to roads and bridges, our company has built levees for the Army Corps, we built natural gas compressor stations and pipelines for the energy industry, we built manufacturing facilities and warehouses for the agricultural sector and many different types of work as the country prospered after World War II.

As my brother and I build our company through the second generation, we wonder which capital investment programs this country will continue and in what format, and we wonder if our father would feel optimistic today. Out industry is in a severe recession and the future of major capital investment programs feels uncertain at best.

The series of extensions has had an impact on the industry. The lack of certainty has had an impact on the people who use the system because they are not seeing major capital improvements. It has had an impact on the companies that builds roads; bridges and transit systems cannot make long-range plans; we hold back hiring decisions and we defer our own equipment purchases. It has an impact on the people who work for us. The construction industry has lost 2.5 million jobs over the last two years. The construction careers that built the country look a lot less attractive if the government acts like they will turn the program on and off like a light switch. In North Dakota the department of transportation has held back long-term projects that provide long-term jobs. Every time the program gets close to shutting down, I have to wonder if I will have to lay off workers. As our construction season is getting ready to begin, I wonder if I will be able to hire workers for the construction season.

It is even more important as the construction industry continues to struggle

While the recession officially ended in June 2009, construction continues to suffer from job losses, uncertainty, and ever-tighter margins. The current unemployment rate in the industry is 21.8 percent (more than twice the national average). During the past twelve months alone, the industry has lost over 100,000 jobs, and over 2.2 million jobs have been lost since 2007. In short, the construction industry continues to suffer from depression-like conditions.

The industry continues to shed jobs because demand for construction remains weak, and because of uncertainty. There is uncertainty over the economy, uncertainty over the regulatory climate, uncertainty over the tax climate and uncertainty over the future of the nation's long-term capital investment programs.

I would like to thank the Committee for holding this hearing and for making a priority of moving long-term infrastructure legislation, including the Federal Aviation Authorization and the Surface Transportation Authorization. Those bills are long overdue and a lot of good ideas have been laid on the table.

Transportation and the Economy

The uncertainty does not just impact contractors. The transportation system moves the economy. The construction industry's programmatic problems are just a symptom of the bigger systematic problems. The U.S. economy is not as strong as it needs to be. While at the same time our future is threatened by growing long-term budget deficits, the country needs to also consider the importance of federal capital investment programs. The excess capacity that was built into the transportation system as it was being built facilitated post World War II U.S. economic expansion. That excess capacity is gone. As major economies around the world copy the U.S. model by expanding infrastructure investment to sustain economic growth, America must take meaningful action to preserve our long-term economic growth model. We acknowledge that there is a legitimate economic reason to work to reduce the budget deficit. We also believe that infrastructure is too important to ignore. This was recognized by the National Commission on Fiscal Responsibility and Reform, which included in its report last December the recognition that that the *nation needs both—strong economic growth and strong deficit reduction.*

They put it in these terms:

> **"Cut and invest to promote economic growth and keep America competitive.** We should cut red tape and unproductive government spending that hinders job creation and growth. At the same time, we must invest in education, infrastructure, and high-value research and development to help our economy grow, keep us globally competitive, and make it easier for businesses to create jobs."

The Commission also recommended programmatic reforms before additional funding is made available.

> The Commission recommends gradually increasing the per-gallon gas tax by 15 cents between 2013 and 2015. Congress must limit spending from trust funds to the level of dedicated revenues from the previous year. Before asking taxpayers to pay more for roads, rail, bridges, and infrastructure, we must ensure existing funds are not wasted. The Commission recommends significant reforms to control federal highway spending. Congress should limit trust fund spending to the most pressing infrastructure needs, rather than forcing states to fund low-priority projects. It should also end the practice of highway authorization earmarks such as the infamous "Bridge to Nowhere."

In this vein, AGC strongly urges the Committee to move a multi-year surface transportation bill that will promote economic growth and put the construction industry back to work. We support the Committee's commitment to writing a long-term surface transportation bill that streamlines programs, eliminates waste, creates efficiencies, increases project delivery, and promotes innovative financing. That would be a positive step in assuring that the federal dollars are spent judiciously.

AGC firmly believes that capital investment is Essential for Economic Growth

Transportation is important to America's economy. It is our national surface transportation network that allows manufacturers to distribute their products to markets; and it allows people to get to and from work and to conduct business. This concept is borne out by some of our coalition partners in the reauthorization effort like the Chamber of Commerce and the National Association of Manufacturers. The Chamber said the following in their Jobs for America open letter to Congress last year, "without proper investment and attention to our infrastructure systems, the nation's economic stability, potential for job growth, and global competitiveness are at risk." The National Association of Manufacturers included the following statement in their Manufacturing strategy for jobs and a competitive America, "invest in infrastructure to help manufacturers in the Unites States more efficiently move people, products and ideas." They each believe that infrastructure investment is critical to improving international competitiveness.

If our surface transportation network has adequate capacity and is efficient, it provides better accessibility to markets and employment, it lowers costs and it improves productivity. It makes businesses more competitive and better able to compete in the global marketplace. It allows the economy to flourish, and a flourishing economy means *more jobs* for all Americans.

On the other hand, if our surface transportation network has inadequate capacity and is inefficient, it provides less accessibility to markets, it raises costs, and it lowers productivity. It makes businesses less competitive and less able to compete in the global marketplace. It weakens the economy. And a weaker economy means *fewer jobs* for all Americans.

Fortunately, America has had leaders who have understood the important impact transportation infrastructure has on the economy and our national well-being. The Federal government has played a critical role in developing our navigable waterways and canals, our transcontinental railroads, our national aviation system, our major metropolitan transit systems, and our Interstate Highway System. These transportation systems have been one of the major reasons why our economy has been able to expand and flourish over the course of U.S. history.

Nowhere is this more evident than with the Interstate Highway System. A few decades ago, our parents and grandparents had the foresight to invest in President Eisenhower's vision of a national system of interstate highways. This Interstate Highway System has been a boon to our economy. Since the system was built with excess capacity, it has been able to support our growing economy and population. And since it was new, with a design life of 50 years or more, we have not had to spend much on repairs or replacement.

Unfortunately, the system is over 50 years old. The excess capacity has been used up in key spots, resulting in bottlenecks and congestion throughout the system. This increases costs for our nation's businesses, making them less competitive, and lowering productivity. It is starting to hurt our economy and job-creating capabilities. Moreover, the system is starting to fall into disrepair now that it has reached its design life.

Today's problems are insignificant compared to what's coming. If we don't act soon, a growing population and economy will result in gridlock on much of the system because of inadequate capacity and inefficiency. The system will provide substantially less accessibility to markets; it will raise costs for businesses significantly, and it will lower productivity significantly. It will make our businesses less competitive and less able to compete in the global marketplace. It will substantially weaken the economy, driving manufacturing and jobs to parts of the world where infrastructure investment is a higher national priority. As a result, there will be *far fewer jobs* for all Americans.

To keep this from happening, we must make substantial targeted investments in our national surface transportation network—including our highways, our transit systems and our intermodal facilities. We must provide additional capacity where needed. We must repair and replace sections as they wear out, and we must make these improvements on a system-wide basis. A project here, and a project there, does not get the job done. The National Surface Transportation Policy and Revenue Study Commission estimated that all levels of government and the private sector need to invest at least $220 billion annually to meet these needs. Today we invest only about $87 billion annually, which explains why congestion is getting worse and our transportation systems are continuing to decay.

The challenge in writing the next surface transportation authorization bill is how to prioritize targeted investments in our nation's surface transportation infrastructure in the face of declining revenue generated from the Highway Trust Fund (HTF).

Current HTF revenue does not meet the maintenance demands of the federal aid highway system, much less address the need for additional capacity, intermodal improvements, eliminating bottnecks and improving safety. It is estimated that the current HTF revenues will only meet 44 percent of the requirements to simply maintain the current federal aid system; similarly, such revenues fund only 36 percent of the cost to improve the federal aid system. However, Chairman Mica, President Obama and many others have said increasing the gas tax is off the table. Absent that increase, we will be forced to confront a new reality.

Without additional revenue, the program will be forced to operate within the revenue stream generated by a user fee that was last increased by 4.3 cents per gallon in 1993 when the highway user fee was increased from 14 cents per gallon to 18.4 cents per gallon. So, by the middle of this decade it will have lost about half of its purchasing power. This translates into a much smaller federal transportation program - one that addresses fewer options and one that benefits fewer Americans in fewer areas of the country. If this is the new normal for transportation, Congress will need to re-examine and redefine the federal role in surface transportation. Congress will be forced to decide what programs are most important to achieving the national goal, fund them with the limited revenue available, and make substantial reforms to make the current [program] system more efficient and cost effective.

But this may be harder than it seems. Just to provide an example of the enormity of need, I would like to offer the following example: When Eisenhower signed the first highway bill in 1956, the user fee was 3 cents-per-gallon, and a first-class postage stamp was the same. Today the user fee stands at 18.4 cents-per-gallon, six times the rate in 1956. On the other hand, a first class stamp costs 44 cents, more than 14 times the rate in 1956. It is absolutely critical that we continue to invest in our nation's infrastructure in order to maintain the integrity of what we have, as well as to improve in areas of need.

In addition, the Obama administration acknowledged that the country needs a $556 billion transportation program, but in their proposal they acknowledged that there is no easy solution to financing the program the country needs. The administration also acknowledged that consolidation of programs and other reforms were needed as well. While we agree with the needs and the premise that reforms are due, we do not agree that the administration's priorities are perfect, and we are very concerned at the prospect of changing the highway trust fund into the transportation trust fund and funding rail and an infrastructure bank out of the fund. The highway trust fund is oversubscribed as it is. Adding new accounts doesn't solve nearly as many problems as it creates in the zero sum world we believe Congress is looking at now.

Establish a Clear, Achievable National Goal

The once clear objective of the federal-aid highway program was to connect the nation from east to west and north to south. That objective has now proliferated to more than 100 different funding categories. This makes it difficult to identify priorities or to make clear what the federal role is.

We believe the primary federal role in transportation should be to facilitate interstate commerce; therefore, the federal program should be focused on connecting major cities, major manufacturing facilities, shipping and distribution hubs, reducing congestion and enhancing safety. To maximize the beneficial impacts of what may be a smaller federal investment, the federal involvement will be forced to focus on just the National Highway System (NHS) routes.

The NHS is made up of the interstate system plus 115,000 miles of rural and urban principal arterials. The current NHS carries 40 percent of all highway traffic and 70 percent of truck traffic. This is the national economic engine.

The programs should not be micromanaged by congress or the US DOT, but should instead be subject to minimum standards for performance, maintenance, environmental compatibility and safety. Funds should be given to states to address national priorities within the state's borders.

Move Public Opinion

This bill should also return faith to the users of the system that the money being collected is being put to good use. In order for this to happen top-to-bottom reforms are needed to guarantee that the users of the system are getting a return on the dollars that they pay into the system in the form of the user fees. What is needed is a program that will be accountable for results, makes investments based on community needs, and delivers projects on-time and on-budget.

Focus groups have found that there is a perception that existing transportation funding is not used in a cost-effective manner and that the current process used to complete projects is wasteful, and takes too long. Public confidence in the federal program must be restored.

We believe this goal will be difficult to achieve while operating the program exclusively on the revenue coming into the HTF. If that is required, it can only be accomplished by making hard choices. Living within the revenue currently generated by the highway user fee will force the committee to pass a bill that will be about 14% below SAFETEA LU and nearly 30% below current funding levels. Under these fiscal constraints, funding from the highway and mass transit accounts of the HTF must remain separate. The Committee must look at the 108 programs currently funded from the HTF and determine what is a national priority to fund, what should be eligible to be funded and what should no longer be funded. In addition, the program must be more focused on meeting the national goal; it must show reform through greater transparency and accountability. The program should include better planning, programming, and project delivery.

By showing fiscal restraint in transportation spending and returning the HTF to its core function of constructing and maintaining our highways, roads, and bridges the principle of the highway user fee will be honored and the national priorities will be addressed. Taxpayers will receive the benefit of a well functioning highway system that is promised when paying a dedicated fee for using the system. The perception of the program can be removed, lifting a major barrier in building support for an eventual increase in federal funding.

Program Reform

Allow states the flexibity to address federal priorities within their borders

This newly focused federal program must allow states the greatest flexibility to make strategic decisions on a narrower program that focuses on NHS improvements that will best address the national objective. To accomplish this, many existing funding categories will have to be eliminated and or incorporated into the newly expanded NHS program. The majority of the funding should focus on keeping the NHS in a state of good repair and adding capacity necessary to keep the NHS fully functional and accommodate future economic growth. For the rest of the needs, a program like the Surface Transportation Program (STP) could allow access to a more flexible program without existing suballocations, allowing states to address the priority national needs within their borders. States should be free to address national and state priorities but do not have the resources to spend on government programs that are not the core national priority.

Project Delivery

Reform also must be addressed in project delivery and streamlining. Program reforms are necessary to give highway users the best return on their investment. This is particularly true if the program is to operate within cuts that will be required if the program just runs on the existing highway trust fund revenue. Delays in project delivery can increase the cost of projects and deny users the benefits of their investments. Expediting project delivery for transportation infrastructure projects appears to be a priority of both the Administration and Congress. FHWA has looked to address project delivery through its Every Day Counts (EDC) Initiative and Chairman Mica plans to include a 437-Day Plan to expedite infrastructure projects in the reauthorization.

FHWA's EDC initiative focuses on the flexibilities in existing laws that allow it to focus on expediting project delivery. A number of the proposed reforms cut project delivery time and reduce cost. AGC believes the following EDC initiatives should become standard operating procedures in states:

- Linking the planning and environmental process to eliminate duplication and speed approval;
- Early legal review of decisions made in the planning and environmental process;
- Standardize procedures for planning and project review;
- Expand use of mitigation banking for environmental permits;
- Allow the planning and design process to begin before NEPA review is complete;
- Make use of and consider increasing flexibilities in the law for right of way acquisition and coordination with other key development actions;
- Make greater use of flexibilities in the law that expedites utility relocation; and,
- Provide FHWA greater authority to provide technical assistance in Environmental Impact Statement development.

Streamlining Decision Making and Dispute Resolutions Moves Projects Faster

AGC believes reforms need to go farther. In addition to the Every Day Counts initiative, legislative changes are necessary to expedite project delivery. The federal /state partnership should include more decision-making delegated to states. Eliminating micromanagement, removing redundant procedures, increasing accountability of federal and state government decision-makers, and limiting opportunities for lawsuits can achieve efficiencies in project delivery. The program of the future must retain public participation, focus on the safety of the traveling public, and ensure environmental compatibility.

Regulators should limit their involvement to areas of specific agency expertise; legal disputes must be assured swift judicial reviews; and interagency conflicts should be settled with efficient dispute resolution procedures that include one decider who is in charge of finishing the project. The following recommendations should be included in the surface transportation reauthorization legislation:

- Continue and expand to all states the existing pilot program that allows state DOTs to assume all USDOT environmental responsibilities under NEPA and other environmental laws. Identify and eliminate impediments to states for accepting this delegation of authority. So far, California is the only state that requested authority to undertake the NEPA environmental review process that was allowed under a pilot program established in SAFETEA-LU. California's experience with this process should be looked at for lessons learned. Streamline the NEPA process and set strict deadlines for resource agencies to make decisions. Limit the possibility for lawsuits and provide for expedited review of legitimate complaints. There is no reason the process can't facilitate quick resolution of legitimate concerns.
- Concurrent reviews should become the norm rather than the exception.
- Eliminate the need for projects that are undertaken within an existing right-of-way to undergo a full environmental review.
- Expand the list of projects that are eligible to be included as a categorical exclusion from environmental review.
- Under 23 CFR 645.205(c), the State is required to control utility use of right-of-way on a federal-aid project so as to preserve the operational safety and the function and aesthetic quality of the highway facility. State DOTs should be given more authority to require utilities located within the highway right-of-way to relocate their facilities in an expeditious manner when road improvements are pending. Under this authority, states should be allowed to require utility companies to provide electronic files mapping utilities located in NHS right of way for all future utility locations and relocations in the highway right-of-way. Incentives should be created to encourage states to use Subsurface Utility Engineering on all construction projects where utility location is an issue.
- Allow states (at their own risk) to acquire right-of-way prior to final completion of the NEPA review process.
- Allow states to advance design work (at their own risk) prior to final acceptance of NEPA review and formal record of decision.
- Delegate compliance for Americans with Disabilities Act, labor and environmental rules to the states so compliance questions and plans can be executed quickly.
- States should be given more discretion to administer their construction contracts with federal oversight and approval requirements minimized. Authority to approve change orders or changes in project scope should be maintained by the states.
- Allow states discretion to limit bikeways on expressways to circumstances where it is deemed these activities safe for both bicyclists and motorists.
- Compliance with federal rules should strive to include best practices rather than just be outcome oriented.
- The process should include a swift opportunity to appeal when there is a dispute between contractor and state over federal requirements with hard deadlines for decisions. For

instance the FHWA should be required to issue decisions within 7 days on disputes or on change orders.

- Federal review of state rules and procedures should occur no more often than every five years to ensure compliance with federal management requirements, rather than reviewing every element of each project.
- State and federal compliance audits should be good for at least 3 years, rather than reinvestigated on every project so that inspectors can expand their hunt for bad actors rather than continuously auditing and re-auditing good players.
- States should be encouraged to consider total road closure as the first option when looking at reconstruction and rehabilitation projects on existing roadways.
- Partnering has been used successfully by some state DOTs. States should be incentivized to use a formal partnering process on projects with an estimated cost greater than $5 million. Decision deadlines should be part of the partnering process.
- States should also be incentivized to expedite and accelerate project delivery. Rather than have the federal government tell states how to run their construction programs, they should receive financial incentives from discretionary funding sources for shortening project delivery times.

Supplementing Current Revenues

Without additional funds, there will be a great need to provide supplementary revenue streams for traditional transportation infrastructure funding. However, these financing approaches must not be over sold. Not all financing mechanisms are appropriate for every transportation construction project and will not work in every state or every region. Any potential financing tool, whether it be private investment or innovative financing, must be carefully applied.

These mechanisms are important in providing up-front capital to state and local governments to meet their construction needs by leveraging future dollars. In most cases these projects will be more expensive for the users because the capital used to finance the projects will need to be repaid with interest. Financially viable projects tend to have high traffic counts and high forecast for future growth. Therefore innovative financing and private investment is often hard to apply in rural settings, like North Dakota

In addition, with the great demands on the current revenue stream, Congress should minimize the HTF revenues which are used to subsidize any potential private financing tool.

We need an honest discussion of all new sources of revenue

Public Private Partnerships (PPPs) have their place and limits. Some policy makers portray PPPs as the silver bullet to solving the investment gap in our transportation system. The fact is that less than 10% of transportation investments can financially support PPP investment. In addition, private entities borrow money at higher rates than the federal government, and that borrowing cost will need to be repaid by users of the system. Considering these facts, and since the majority of PPPs are entered into at the state and local level the federal government should develop best practice information for PPPs that focuses on transparency and accountability.

In addition to PPPs, the next authorization bill should include a transition to the next generation of federal revenue for infrastructure investment such as the following:

- Congress should consider transitioning the user-fee collection model to a Vehicle Miles (VMT) tax. A VMT tax would be charged to all vehicles using transportation infrastructure that is eligible for federal funds. Mileage could be electronically recorded and collected at the gas pump when vehicles are fueled or through a monthly invoice.
- Reauthorize the Transportation Infrastructure Financing Investment Act (TIFIA) loan program with a larger volume capacity and increase the project eligibility for TIFIA financing.
- Continue the availability of Grant Anticipation Revenue Vehicles or GARVEE Bonds and Grant Anticipation Notes. These grant anticipation financing vehicles enable public agencies to borrow against future federal grants and provide upfront funding for capital investment.
- Invest in the re-capitalization of state infrastructure banks. Ensuring the health of the state infrastructure banks could help support smaller projects.
- Lift the volume cap on Private Activity Bonds for highway and intermodal projects.
- Reauthorize the Build America Bonds program as a financing option.
- Expand qualified tax credit bonds (QTCBs) for surface transportation projects. QTCBs are currently authorized for forestry conservation, renewable energy projects, energy conservation, qualified zone academies, and new school construction.
- Establish a national infrastructure bank to help address surface transportation infrastructure needs. Many questions remain as to structure, capitalization, and scope of a national infrastructure bank, therefore, the bank should not be seen as a rifle shot solution to our surface transportation funding needs.
- Make permanent interstate tolling pilot programs in SAFETEA-LU
    - Allow state and local governments to toll new capacity on the Interstate system.
    - Allow tolling of the Interstate in large metropolitan areas
    - Allow tolling of the Interstate for reconstruction and rehabilitation

In this time of constrained resources and volatile markets, the resources available for financing surface transportation projects should be diverse and flexible enough to allow states and localities to use the most efficient and appropriate form of contracting for each given project.

Conclusion

AGC urges the Committee to take the steps to bring some certainty to the market, to reform the program in a way that allows for the prioritization of the greatest needs of our surface transportation network. These steps, along with a careful examination of all possible financing and funding options will allow the program and the country to thrive. The construction industry makes decisions about investments in new equipment and in retaining and training a workforce based on its projection about where the market will be over the long-term. Without the knowledge that a continuous and growing market is on the horizon, construction firms will not make these critical investments. This is particularly true for small businesses that have less operating capital to invest and tend to be more risk adverse. But in talking about the transportation system, the impact hits all segments of the economy. For these reasons we encourage the enactment of a reformed, refocused multi-year surface transportation bill that puts our members back to work and allows the entire economy to expand.

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
Truth in Testimony Disclosure

Pursuant to clause 2(g)(5) of House Rule XI, in the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include: (1) a curriculum vitae; and (2) a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by an entity represented by the witness. Such statements, with appropriate redaction to protect the privacy of the witness, shall be made publicly available in electronic form not later than one day after the witness appears.

(1) Name:

Paul Diederich

(2) Other than yourself, name of entity you are representing:

Industrial Builders, Inc.

(3) Are you testifying on behalf of an entity other than a Government (federal, state, local) entity?

YES — **If yes, please provide the information requested below and attach your curriculum vitae.**

NO

(4) Please list the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by you or by the entity you are representing:

See Attached List

Signature

03/28/2011

Date

Industrial Builders, Inc.

PAUL W. DIEDERICH, PRESIDENT
DONN O. DIEDERICH, EXECUTIVE VICE PRESIDENT

General Contractors

P.O. BOX 406 FARGO, NORTH DAKOTA 58107-0406

Biography of Paul W. Diederich, President, Industrial Builders, Inc.

Paul has been involved in the construction field since 1972. He obtained a B.S. degree in construction with honors from Arizona State University in 1980. Industrial Builders, Inc. is a family-owned general contractor that performs bridge, site development, concrete, piling, structural steel, building, marine, sub-soil dewatering, demolition and rotomilling projects.

He is a member of the American Institute of Constructors, the Consulting Constructors Council, and serves on the Board of Directors of the Associated General Contractors of America and TRIP. He serves as president of the North Dakota State University Construction Industry Advisory Committee, vice president of the AGC of America, and chairman of TRIP. He is a past president of the Fargo Country Club, the AGC of North Dakota and the AGC Education and Research Foundation.

Paul, his wife Ellen Jean, a Professional Artist, and his daughters all live in Fargo.

Industrial Builders, Inc. - Federal Contracts or Subcontracts

Contract Number(s)	Dollar Amount	Contracting Agency
MT PRA-GLAC10(33)	$ 37,837.90	FHWA
AIP #3-46-0056-006-2008	$ 23,920.53	FAA
JSFD 200704	$ 18,180.00	GFAFB / USAF
AIP 39 & 40	$ 32,220.00	FAA
DTFH68-09-C-00023 & ND PRA THRO 1	$ 53,890.00	USDOT/FHWA
AIP# 3-38-0012-0025-2008	$ 73,951.06	FAA
WY HPP 4-1-1(5)	$ 99,935.00	FHWA
AIP #3-30-022-008-2009	$ 22,340.75	FAA
AIP #3-30-0008-035-2009	$ 72,225.30	FAA
AIP #3-56-0024-29	$ 37,592.07	FAA
ARRA 3-30-0008-037-2009	$ 38,335.95	FAA
W912ES-09-C-0033	$ 51,720.00	USACOE
W912ES-09-R-0009	$ 94,500.00	USACOE
W9128F-8-R-00016	$ 152,240.00	USACOE
08CRCN0043	$ 477,947.79	USGS
M07-00-152	$ 810,969.25	Standing Rock Sioux Nation (IRR Program - FHWA)
W912ES-09-C-0002	$ 266,767.63	USACOE
W912ES-09-C-0032	$ 298,226.00	USACOE
W912ES-09-C-0045	$ 382,133.80	USACOE
W912ES-09-C-0052	$ 29,106.72	USACOE
MT PRA GLAC 10(23)	$ 29,640.00	USDOT
W9128F-09-C-0025	$ 148,713.44	USACOE
MT PFH 78(1)	$ 68,874.78	FHWA
708-10(2) & 704-10, 20, 30	$ 14,880.00	BIA
AIP #3-30-0048-013-2010	$ 62,424.73	FAA
AIP #3-46-4600-015-2010	$ 39,704.16	FAA

Industrial Builders, Inc. - Federal Contracts or Subcontracts

Contract Number(s)	Dollar Amount	Contracting Agency
W9128F-10-C-0503	$ 199,002.00	USACOE
DRFH68-10-C-00027 and ND RRP CLSA 12(2)	$ 2,544,243.50	FHWA/CFLHD
W912ES-09-C-0002	$ 266,767.63	USACOE