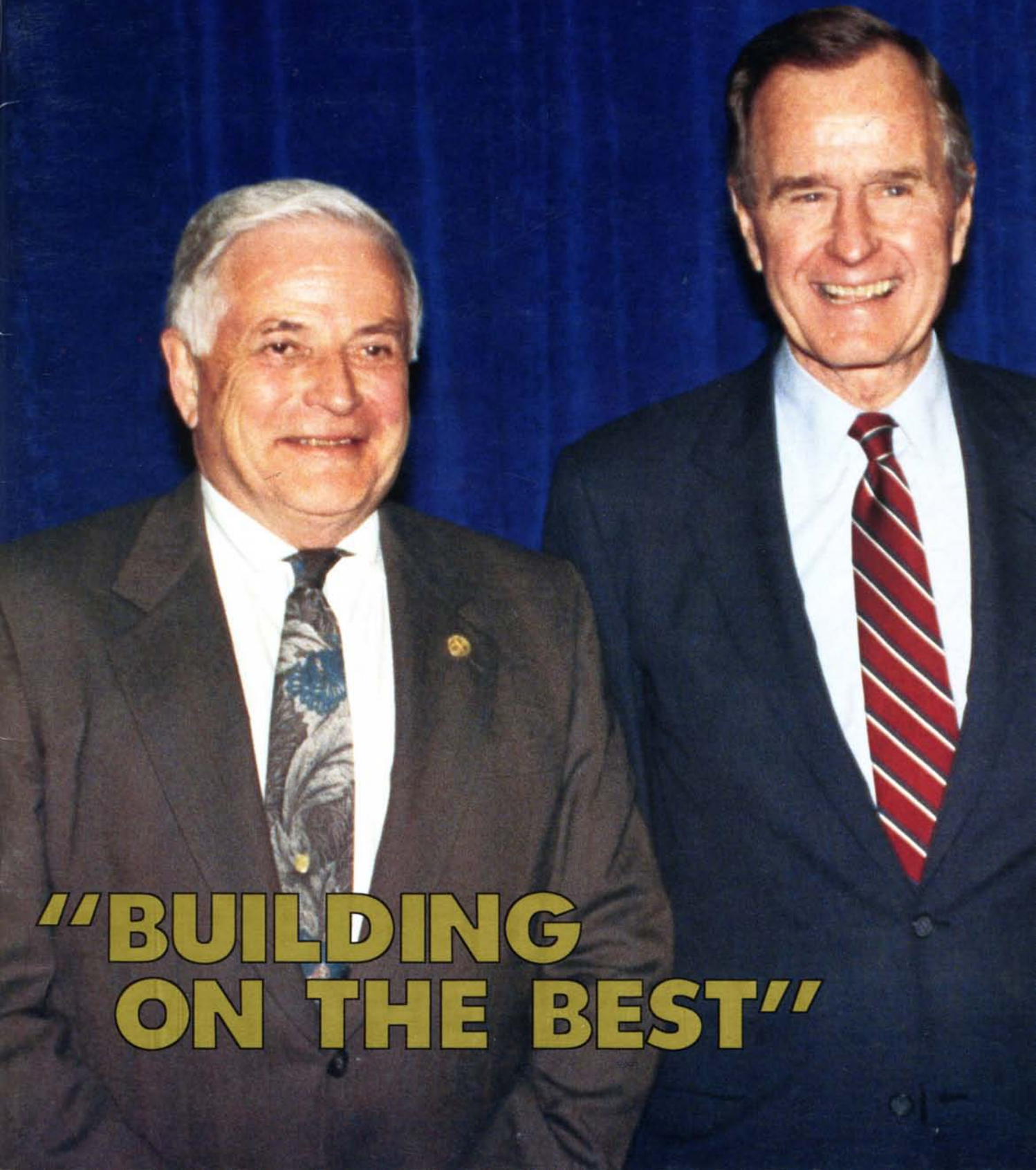




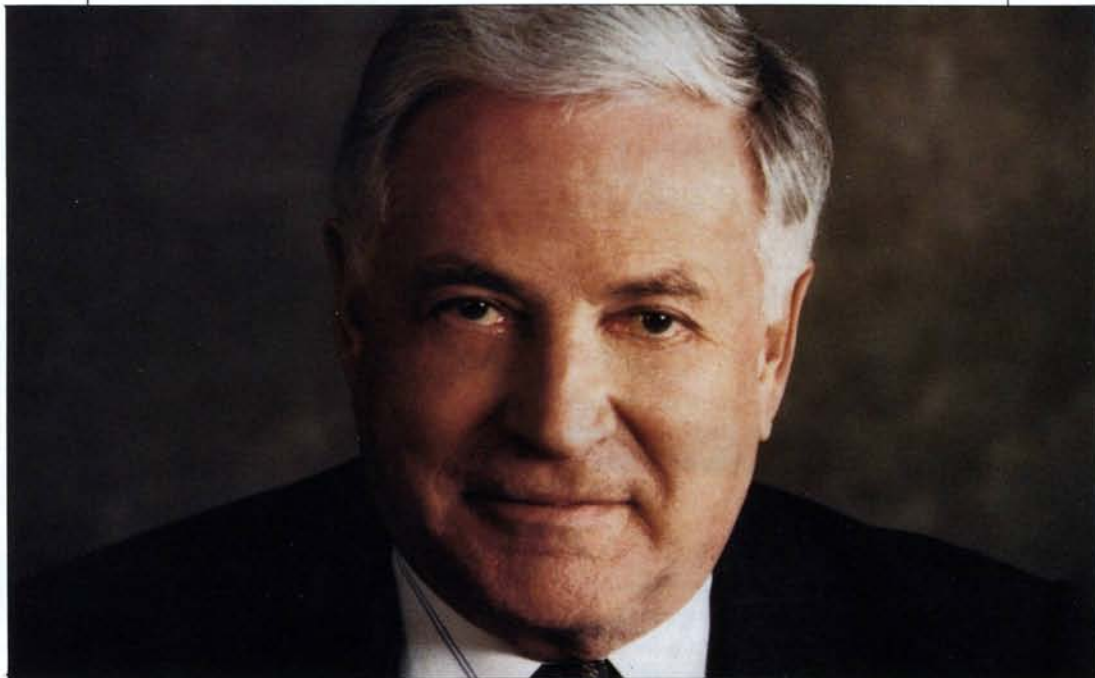
CONSTRUCTOR

CONSTRUCTION'S MANAGEMENT MAGAZINE MARCH 1992



**"BUILDING
ON THE BEST"**

AGC PRESIDENT ROBINS H. JACKSON



"BUILDING ON THE BEST"

Robins H. Jackson admits with undisguised amusement that a few of his many friends outside of the construction industry "think I'm nuts to be taking this job on." The job in question is the presidency of the nation's largest construction trade association. And the man accepting the challenge is one with 44 years of experience in highway and building construction. At a time when some of his peers are working to improve their golf handicaps, the Iowa native will be facing the challenge of a lifetime: working to improve the business environment for thousands of AGC members in today's tough markets.

It's a seven-days-a-week job, one that will keep President Jackson and his wife Ro on the road for 90 percent of the year. Why is he doing it? "I've been involved in the industry for as long as I can remember," he says. "I can't imagine *not* doing it."

The response is pure Jackson: no razzle dazzle, no false pride. Everything in

his manner suggests someone who judges people by their deeds rather than their words. He brings the same straightforward approach to the presidency.

BUILDING ON THE BEST

"AGC acquired its present preeminence and strength not by rapid changes in policy, but by sticking to our beliefs and doing consistently excellent work over decades," says President Jackson. Rather than propose radical changes, he expects to pursue the goals and programs of the able men who preceded him, or "Build On The Best," as he put it in his acceptance speech at the AGC National Convention in Dallas.

INFRASTRUCTURE INVESTMENT

"One thing is certain," says Jackson. "The overall economy will not improve until the construction industry does. The needs by now are well documented. Our roads, bridges, water and wastewater facilities, public buildings, and power-generating facilities are all in need of

renewal or replacement. The benefits of spending for infrastructure show up immediately in creating thousands of jobs and in the ripple effect of \$3.61 for every dollar spent in construction.

"Just as important, those infrastructure projects increase American productivity, which is crucial to staying competitive in the global economy.

"Those who say we can't afford that investment in the current economic climate are missing the point. They should be asking if we can afford *not* to invest in the public works needed to boost American productivity."

"I think we were all cheered by the proposals President Bush put forth to stimulate the economy in his State of the Union address," continues President Jackson. "Now we need to unite the Congress to put those proposals into action." Congress can open the bottleneck of regulations that currently slow public construction of highways, bridges, water treatment, and sewage treatment facilities. Further, it could reduce the capital gains tax, encourage investment in equipment by a new 15 percent Investment Tax Allowance, and restructure depreciation under the Alternative Minimum Tax.

Robins Jackson cites another encouraging sign in the Anti-Recession Infrastructure Jobs Act of 1992, a bill introduced by Rep. Robert Roe (D-N.J.) that would accelerate \$10 billion worth of work on local infrastructure projects.

Freeing up transportation trust funds. "With the stroke of the pen, Congress could free up \$30 billion in the highway and aviation trust funds," says Jackson. By law, these funds cannot be used for any other purpose. They are simply being used to reduce the deficit on paper. Their removal from the unified federal budget would give the economy a double shot in the arm: repairing deteriorated public works and creating of tens of thousands of jobs.

What would it take to do this? "It's quite simple," says the AGC president. "A little bit of political courage."

The passage of the six-year \$155 billion Intermodal Surface Transportation Efficiency Act of 1991 is a step in the right direction. Now, says Jackson, we need to bring the same resolve to the Aviation Trust Fund. Congress is reauthorizing the fund this year, a process AGC will be monitoring vigilantly and influencing with all the resources at its disposal. As with our highways, our na-

tion's outmoded aviation infrastructure needs renewal and expansion to handle vastly increased numbers of travelers.

Rebuild America Coalition. President Jackson will continue AGC's leadership role in the Rebuild America Coalition.



"There must be an intelligent balance between protecting the environment and economic growth," says AGC President Robins Jackson.

He's particularly pleased that Atlanta Mayor Maynard Jackson has agreed to take on a second year as the coalition's chairman. Mayor Jackson has shown the political leadership to unite, in his words, "Main Street and Wall Street" and get the politicians in Washington behind this effort. He has also succeeded in bringing organized labor into the coalition.

REPRESENTING THE FULL SPECTRUM OF CONSTRUCTION

The Jackson doctrine of careful stewardship in no way means an aloofness on the president's behalf. Just

the contrary. "I've been a small building contractor," says Jackson. "I am a highway contractor. We've built work under collective bargaining agreements and open shop. We've been a prime contractor and a sub, completed public work and private. Along the way, I've had some sort of experience doing most everything you can do under the heading of 'construction.' This is all by way of saying that I intend to represent all types of construction contractors." The door to the president's office will be open at all times under Robins Jackson.

FIRST GENERATION CONTRACTOR

Robins Jackson didn't set out to be a contractor. After a year of college and a stint in the Army-Air Force, he returned to Iowa State, where he had been studying mechanical engineering and switched his major to civil engineering. Upon graduation in 1948, the young man joined his brother's firm, Jackson Construction, a small startup contracting outfit that built buildings, warehouses, and schools.

The decisive moment came one day in 1951 when Jackson approached Irving Jensen Sr., whose highway paving firm was seriously behind schedule on a paving job in Palo Alto County, Iowa. Seizing the opportunity, Robins Jackson offered to help.

"Until then, the nearest we'd been to the highway business was driving by on our way to work," he says. Jensen lent equipment, labor, and a foreman to the Jackson brothers, who attacked the job with everything they had. "We paved 900 feet the first day," Robins says. Not bad for a fellow who'd started out doing painting and light carpentry on homes and farms. "After that, I knew I wanted to be in the highway business."

Irving Jensen and Robins Jackson formed a close relationship and worked on projects often over the years. "He was my mentor and very close friend," says Jackson. "I owe a lot of my success to him."

Over the years, Jackson Construction Co. weathered good times and bad. The company's toughest test was a move to Louisiana in 1980 in an effort to leave the recessionary climate of the Midwest to penetrate the oil patch. But out-of-state companies had a hard time getting work in Louisiana and soon an even worse recession in the South forced the company back to Iowa, its home base. Cedar Valley Corp., a company Jackson had ac-

(continued)



Cedar Valley Corp. is building Highway 218 through downtown Waterloo. The project is a six-lane divided highway with multi-lane service roads on each side. The \$10.5 million, 1.5 mile first leg is scheduled to be completed this summer. Two other stretches by Cedar Valley Corp., amounting to \$17 million, are scheduled for completion by fall.

quired in 1971, had expanded to take on all of Jackson Construction's original Iowa markets. Since that time, Cedar Valley has grown into a major contractor, employing 140 people last season, many of them on road projects around Waterloo. Cedar Valley has half interests in two other firms: Aspro Inc., an asphalt paving and supply firm, and Basic Materials Corp., an aggregates producer with a dozen quarries. Combined revenues of the three companies are currently about \$55 million a year.

BURDENSOME REGULATIONS

"It is virtually impossible for a young man or woman to go out and start a construction business on their own the way my brother did," Jackson says. "And a good part of the reason is so much time has to be spent documenting compliance on hiring demands, misguided OSHA

regulations, and the ever-growing paperwork created by bureaucrats who don't understand the realities of the construction process."

He notes that a recent survey of AGC members revealed that a minimum of \$10 billion of construction is stalled because of a regulatory lockdown.

Environmental extremism. "There must be an intelligent balance between protecting the environment and economic growth," says AGC's president. The list of overzealous environmentalist legislation impeding economic growth includes the Endangered Species Act, Wetlands, Environmental Permits, Environmental Reviews, Clearances, Impact Statements, and many others. "We were pleased to hear President Bush announce his ideas to improve the wetlands determination process, but his proposals are so far not in any specific legislation."

AGC is supporting legislation that would address encumbrances under the Wetlands legislation.

One respondent to the recent AGC survey declared, "Almost every construction project from exit ramps to solid waste facilities is being hamstrung by environmental extremism."

Paperwork. But the proliferation of red tape is not limited to environmental matters. Other layers of bureaucracy that impede contractors' ability to conduct business involve hiring/firing regulations, unrealistic safety regulations, MBE and WBE compliance, unbridled data collection, and recordkeeping. President Jackson promises an all-out effort on all fronts to rein in the paper mill in Washington.

THE MONEY CRUNCH

Contractors all across the country, especially those in commercial construc-



Steve Jackson is president of Cedar Valley Corp. At 39, he already has 25 years of experience in construction, having started working summers at 13. Steve graduated from AGC's Advanced Management Program in 1987.

tion and real estate/development sectors, simply can't get the funds to do business under the current system. Banks have the money to lend, but in the current regulatory environment, won't make loans. Frequently, they devalue or foreclose on performing projects from borrowers with good track records. "We've got to turn that adversarial atmosphere around," says Jackson. "Bank regulators need to safeguard funds, but they also must recognize the need for vital economic growth. We've loaned hundreds of billions to third world countries with little hope of repayment. We should do no less for investments in real assets at home."

THE FEDERAL ROLE

The federal government is shifting much of the burden for public works back to the states, many of which are themselves in fiscal crisis and unable to cope with new demands. Robins Jackson warns against letting that pendulum swing too far. He pledges AGC will "do whatever it takes to preserve the strong partnership between the federal government and state and local bodies." Some members of Congress have already

recognized that a federal retreat must have limits, as happened when Congress recognized that the Administration's proposal of reducing the federal share for highway and transit projects was unrealistic.

Jackson believes state revolving funds, in which user fees are collected and loaned for capital improvements, will work for certain types of construction, such as wastewater treatment and sewer projects. "We've also seen in California—where citizens voted to double their taxes at gasoline pumps—that people will pony up when they can see where the money's going." Having said that, he notes that the federal government should help out with the seed money for state revolving loan funds for Clean Water.

KEEPING AGC FIRST

Although AGC has occasionally been criticized for not blowing its own horn as loudly as some in Washington, President Jackson is still likely to concentrate more on getting the job done right than in bragging about it. "If you talk to people in the Administration, you unfailingly find that AGC is among the handful of associations at the top of their list. And you



Ro Jackson, Robins' wife of 44 years, is active in a number of charities in Waterloo. In addition to their son, Steve, the Jacksons have a daughter, Holly. She lives with her husband in Oregon, where she is a teacher's assistant in special education.

don't get there by shouting. We do our homework. Our track record speaks louder than anything else."

Under President Robins Jackson, expect that track record to continue.

—By William F. Heavey, editor

STEVE JACKSON: MINDING THE HOME FIRES

Steve Jackson, 39, president of the firm, has been running the business while his father has been climbing the ladder to the presidency of AGC. Like his father, he started as a very young man. "When I was 13, I worked summers sorting steel and doing other chores," he says. At 16, Steve was already out working with the crews, first as a laborer, then as a concrete finisher, foreman, and paving superintendent. He graduated from AGC's Advanced Management Program in 1987. By all accounts the son is made of the same stuff as his father. Robins was president of the AGC of Iowa in 1967; Steve occupied the same post 23 years later.