



## **Looking to the New Year**

### ***The Future of Infrastructure in 2018***

The new year is here and at D.S. Brown we were curious what our customers were anticipating for 2018. We spoke to some of our customers about what they felt the new year will bring – the opportunities, the challenges and the trends.

*In 2018, what do you see as your opportunities?*

Here we heard responses from both ends of the spectrum. As one customer said, “There are many opportunities for our business in the state and federal arena with the President’s initiative of transportation funding going to highways and airports. FoxConn coming to Wisconsin will also open some opportunities for local work for our crews. [Electronics company FoxConn will be building a giant flat screen television plant in Wisconsin.]”

On the other extreme, a D.S. Brown customer in another part of the country felt, “without a significant change in infrastructure spending on the federal level, I anticipate spending in our market to be relatively flat year over year. There are some states, however, that are taking action on their own that may boost activity in certain regions - West Virginia for instance.”

*What do you foresee as your challenges?*

Challenges can be very personal to a company, depending on what they are facing each year. One response mentioned several issues that many will face this year. “Funding transportation projects in Wisconsin will be a challenge if the governor does not increase taxes or allow an increase in a gas tax. Other challenges include the labor shortage and increasing challenges for employees to travel for work. Silica OSHA regulation and how it will be enforced will be an issue. Construction on highways and airports are and always will be a dusty environment. Challenges for our company in particular are that we need surfaces clean and dry to perform and install our work in joint sealing. Additionally, with DOT – ELD Compliance, all vehicles greater than 10,001 lbs. must comply with the new regulations.”

Another respondent agreed that labor shortages will continue to be a problem. “Challenges in our industry have remained generally the same for some time. Number one on that list has always been finding people to perform our work. This issue has been steadily worsening over the past decade and that looks to continue in 2018.”

*What trends do you anticipate?*

General trends in the construction industry can be hard to identify. Contractors are often too busy focusing on work to look at overall trends. One customer felt that “smaller contractors are

leaving the business or being purchased by larger corporations. Another trend may be related to how companies will react to the new tax laws and how we can capitalize on them.”

Another stated that “it is hard to pick out a particular trend in this market. Trends seem to be very localized and not consistent over a large geographic region. For instance, Pennsylvania has been very focused on lowering its number of structurally deficient bridges over the past four years. In other regions, we have seen a more balanced approach to roadway versus structure spending. The use of technology in our industry seems to be intensifying. From GPS-controlled machines to connectivity of field personnel to advanced construction techniques, much of this is becoming more of the norm than the exception. For example, whereas GPS machines were formerly used only for the large earthmoving projects, now it seems nearly all projects utilize that technology even for minor applications.”

*Where will your focus be in 2018?*

The game plan for one D.S. Brown customer next year will be to “focus on recruiting and retaining our labor force, as well as training new leaders and cross training in the field. We also have several bold actions to have standard operating procedures written for every process.”

Another stated that “Outside of our normal yearly goals (safety, profitability, etc.), we are focused on continually refining our operating procedures to ensure that we remain as efficient and competitive as possible. Our industry changes quickly. For instance, technology enables things that you could not do five years ago, owners demand change on how projects are administered, and governmental rules and regulations can change. Efficiently managing these conditions is critical to maintaining our current position and ensuring future growth.”

What are your thoughts on infrastructure in 2018? We’re interested in your vision for this next year! Send us your comments at [dsb@dsbrown.com](mailto:dsb@dsbrown.com).