



**CNBC Reports**  
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**EMCOR CEO Frank MacInnis**

**Larry Kudlow, Host:**

Jobless claims soared, but EMCOR prices plunged. It's time for a growth solution, but Washington has this infrastructure spending, and we want to know if that will do it. We have leading infrastructure company EMCOR CEO Frank MacInnis who will tell us all about it. He is one of the biggest in the world.

Alright, joining us now, CNBC exclusive, we welcome EMCOR CEO Frank MacInnis. EMCOR, one of the world's largest construction service companies. Mr. MacInnis, thank you.

**Frank MacInnis, EMCOR CEO:**

Pleasure, Larry.

**Larry Kudlow:**

So let me get this right. Five, six-hundred billion dollars of infrastructure spending, Japan did it in the 1990s. They paved over the Pacific, it didn't really solve their economic growth problems. Can this kind of thing work? I mean, you know it better than anybody. You and Cisco are being touted along with GE as the biggest players in this game.

**Frank MacInnis:**

Larry, I think it can work if it's done thoughtfully. As the CEO of a company that appears to be positioned perfectly to be a beneficiary of this massive program, I'm pretty excited. As a tax payer, I wish I had more faith in the ability of government to accomplish this massive capital allocation quickly and efficiently.

**Larry Kudlow:**

Tell me about it. Now that's an interesting take. Thank you for your honesty. Tell me about your tax payer related worries.

**Frank MacInnis:**

Well the words quick and efficient are not usually spoken in conjunction with the word government. We think that the private sector has a real role to play in the creation of jobs associated with this government stimulus program. So then certainly, let's build highways, but let's build smart highways using the kind of technology that provides motorist information systems that ease congestion, efficient toll collection systems and safe highway lighting so that we reduce fuel consumption, reduce pollution and accomplish some social goals along with just shoveling money at shovel-ready projects.

**Larry Kudlow:**

So in effect, what you're saying is that you can turn this with a lot of private financing with government and a lot of private, maybe all private, management. You create a real ongoing business, not just make work. Now that's a horse of a different color.

**Frank MacInnis:**

Absolutely, Larry. In addition, we would like to see some portion of this program translated not into cash to government, or levels of government, but into tax credits that would stimulate private industry, owners of private facilities, industrial and commercial facilities, to invest in energy efficiency retro-fits. We think that there are enough projects, pent up in this business so that if we can show our customers a shortened period of payback due to tax credits available from the government that there are thousands of such projects that would be stimulated right away. The results would be the same: reduced energy consumption, increased productivity, reduced strain on the electrical grid, increased American competitiveness at home and abroad.

**Larry Kudlow:**

But you're just saying it's got to have a big, private component. Now, a lot of these studies, we've had privatizations of infrastructure all around the world. You mentioned toll roads; we've had bridges, toll roads, tunnels, air ports being a very big one. So you're saying you want to see a lot of that in the finals specs for this Obama initiative.

**Frank MacInnis:**

I absolutely do Larry. There's a great lesson to be learned from Margaret Thatcher's privatization of huge swaths of British government in the 1980s, and that is in fact where some of the facility management industry that we're a major participant in was born. That's when public facilities began to be managed for the first time for energy efficiency and for tenant comfort.

**Larry Kudlow:**

Mr. MacInnis, you win the Nobel Prize tonight by a long shot. That's just very wise. Are you in contact with the Obama team and so forth?

**Frank MacInnis:**

We are not directly in contact with them but if I was asked to sit on a panel of engineering and construction industry experts to help the Obama thinkers figure out how to do this massive program quickly and efficiently and well, I would be happy to do it.

**Larry Kudlow:**

Frank MacInnis, EMCOR. Thank you very much sir. Very wise words, we all benefit from them. Thank you. Coming up, some positive signs on the foreclosure front, believe it or not. CNBC's Diana Olick has the details when CNB Reports continues. I hope everybody in the world heard EMCOR's Frank MacInnis just a few moments ago. A big private capital and management component to infrastructure-that is the stuff on Nobel Prizes.