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THE CONSTRUCTION USER

A publication of The Association of Union Constructors | www.tauc.org | Spring 2010

WHY AMERICA NEEDS A MANUFACTURING STRATEGY



HOW WILL AN ENERGY BILL IMPACT INDUSTRIAL CONSTRUCTION?
RECOVERING FROM "THE BIG FALL"
TAUC LEADERSHIP CONFERENCE 2010





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THE ASSOCIATION OF Union Constructors (TAUC) is the premier national trade association representing the 21st Century union construction industry. TAUC consists of more than 2,500 union contractors, local union contractor associations and vendors in the industrial maintenance and construction field. We demonstrate union construction is the best option because it is safer and more productive, and it provides a higher-quality and cost-competitive product.

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OUR MISSION IS to act as an advocate for union contractors, advancing the cause through an educated and action-driven membership. We aim to enhance labor-management cooperation, workplace safety & health and collaboration among construction users with the greater goal of making union contractors more competitive in the marketplace.

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THE ASSOCIATION OF Union Constructors evolved from the National Erectors Association, which was founded in 1969 by the leading union steel erectors in the construction industry. Over the years, membership grew to include all types of union contractors, and, consequently, the name and structure of the association was changed to The Association of Union Constructors in 2007. The new association reflects the changing face of the construction industry and more accurately reflects the growing diversity of TAUC members.

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Construction's Nexus



by **ROBERT SANTILLO**
TAUC President

IN DECEMBER 2009, Jack Gerard, president and chief executive officer of the American Petroleum Institute, spoke at the State of the Union Construction Industry event held by The Association of Union Constructors. Gerard noted that there are currently some 9.2 million jobs working either directly or indirectly for the U.S. oil and natural gas industry, and 7.5 percent of the United States' Gross Domestic Product (GDP) is directly tied to this industry. That includes the construction associated with it. The fact is, our country significantly relies on foreign energy sources, and the creation of a robust domestic energy strat-

egy that would include the development of domestic natural gas, clean coal, and even nuclear power would be critical, not only to improving our national security, but also to re-energizing the construction industry in the United States.

In this issue of *The Construction User*, we continue to explore the connection between other industries and our own. Inside you'll find an interesting article by Scott Paul, executive director for the Alliance for American Manufacturing, wherein he makes a compelling argument for creating a manufacturing strategy in the United States. With manufacturing on the decline, in part due to outsourcing to places like India and China, there has been a dramatic reduction of factories and distribution centers being built in this country. I think most can agree this needs to change, and TAUC member contractors will be ready to build and maintain those facilities once they return to the United States.

Also in this issue, we are proud to have the International President of the Boilermakers, Newton Jones, provide his take on how a proposed clean energy policy could dramatically increase work opportunities for our contractors in "clean energy" development.

Our association continues to look at ways in which we can make union construction the ideal choice for the owner community, while ensuring our contractors have the competitive edge whether it be through providing information via our magazine, eNewsletter and Web sites or through attending the annual Leadership Conference. As an example, this past December TAUC signed a strategic alliance with the North American Contractors Association (NACA) to work jointly on issues impacting both of our memberships. It is through partnering with like-minded contractor associations, labor organizations, and our current and potential clients that TAUC provides significant value to you as a union contractor. We look forward to working with NACA and other union contractor associations to better our industry.


If you have not done so already, please mark your calendars and plan on attending our upcoming 2010 TAUC Leadership Conference being held May 11-14, 2010, in Phoenix, Ariz., at the historic Arizona Biltmore Resort and Spa. We have an incredible lineup of presenters, and it will be another great opportunity to network with the best in the business. I hope to see you there! ■

The fact is, our country significantly relies on foreign energy sources, and the creation of a robust domestic energy strategy that would include the development of domestic natural gas, clean coal, and even nuclear power would be critical, not only to improving our national security, but also to re-energizing the construction industry in the United States.



Why America needs a m

by SCOTT PAUL
Special Contributor



LIKE THE ASSOCIATION of Union Constructors, we've been privileged at the Alliance for American Manufacturing (AAM) to bring labor and management together for a common purpose. In our case, it is to revitalize the nation's manufacturing base, which has been devastated by the recession, an "anti-industrial" policy in America, and a deeply flawed trade relationship with China.

Many labor and business leaders predicted this day would come. We knew this nation could not replace manufacturing jobs and their multiplier effect, as well as their positive impact on the trade balance and wealth generation, with lower-wage service and retail jobs. We knew that if our leaders viewed international trade as a foreign policy tool and a path to cheap imports, rather than as an essential element for economic growth and domestic production, the consequences would be disastrous.

More than 50,000 manufacturing facilities have shut their doors over the last decade. They weren't making buggy whips; they were manned by some of the most efficient workers in the world. Now, we already have large and growing trade deficits in sectors such as advanced technology and clean energy, even though these supposedly represent "new economy" sectors and the jobs of the future in the eyes of many. The failure of our domestic and international trade policies to support

Does anyone still believe it is a good thing to outsource not only our manufacturing but also our debt financing to China?

manufacturing must be quickly reversed. We urgently need a national manufacturing strategy.

The idea of a manufacturing strategy or industrial policy is hardly a radical concept; Alexander Hamilton constructed America's first industrial policy in 1791.

The idea of a manufacturing strategy is also not a partisan one. President Reagan — spurred on by a Democratic Congress — adopted a flurry of measures to counter a grossly imbalanced trade relationship with Europe and Japan in the 1980s. The Plaza Accords, which raised the value of currencies in Japan and Europe relative to the dollar in a managed way, had a positive effect in lowering our trade deficit. Key government investments in the semiconductor industry and other technologies spurred their development and commercialization. President Reagan signed into law enhanced Buy America requirements for certain infrastructure projects to boost domestic employment. His Administration implemented the Market Oriented Sector

anufacturing strategy

Specific — or MOSS talks — with Japan that focused on market access with measurable results.

Apply those principles to the economic challenges of today, and you have the foundation of a manufacturing strategy: Raise the value of China's yuan to market-based levels, invest in value-added manufacturing such as clean energy and industries with strategic significance, and engage in serious bilateral talks with China to ensure that it honors the commitments it made upon entry into the WTO in 2001 to eliminate its myriad mercantilist and protectionist policies. Finally, keep Buy America requirements in place so that tax dollars are re-invested in our economy and the employment benefits of infrastructure spending accrue not only to the construction industry, but also to our manufacturers.

But a successful manufacturing strategy must go deeper than that. We must provide access to much-needed capital for small- and mid-sized manufacturers to help capture new clean energy markets, both here and abroad. At a time when access to capital is still very tight, a public commitment like this is essential. Unless we want green manufacturing jobs created in Shanghai instead of Cincinnati, or Dusseldorf instead of Denver, we must support domestic development of these industries.

A key component of any manufacturing strategy must be public investment, especially in our crumbling infrastructure.

Improving our infrastructure provides a greater return on investment for taxpayers than tax cuts and virtually every other form of spending. In the process, it boosts construction jobs, stimulates demand for manufactured goods, and improves productivity and economic growth by making transportation more efficient. According to a recent study by economists at the University of Massachusetts at Amherst, ensuring that the materials purchased with tax dollars for infrastructure projects are sourced domestically creates 33 percent more manufacturing jobs.

Does anyone still believe it is a good thing to outsource not only our manufacturing but also our debt financing to China? Revitalizing manufacturing, reducing our trade imbalances and bringing down our public debt are interconnected. We need a results-oriented trade and manufacturing policy. Let's put our ingenuity and innovation to work, and let's get government policy working for us. ■



Scott Paul is the executive director of the Alliance for American Manufacturing. Paul brings 20 years of experience in policy, politics and advocacy to AAM. Prior to forming the Alliance, Paul was the principal lobbyist for the Industrial Union Council and was a trade lobbyist at the AFL-CIO.

A comprehensive energy bill ensures a future for industrial construction

by **NEWTON B. JONES**
Special Contributor

GLOBAL WARMING IS changing the way the entire world does business. That fact was made abundantly clear in November when the EPA issued a ruling that six greenhouse gases (GHG), including carbon dioxide, endanger the environment and health. This ruling allows the EPA to take action against these gases under the Clean Air Act, without needing further congressional approval.

For those of us who work in carbon-intensive industries, that ruling should be a wake-up call. If our nation is to succeed in lowering GHG without causing irreparable harm to the economy, we need congressional action to assist those industries that will bear the brunt of the changes needed to lower those emissions.

Unlike Congress, the EPA can only issue regulations. It cannot fund research or assist in the development of alternatives to carbon-heavy fuels. It cannot help industries that lose business to countries with less stringent emission standards.

Congress can do all of those things and more. The comprehensive energy bill now in the Senate includes many provisions to help preserve our economy while reducing GHG emissions, including these:

- Creating a "Clean Energy Development Administration" to facilitate billions of dollars in financing to get new energy technology into U.S. markets and expanded as quickly as possible.
- Establishing an off-budget Carbon Capture and Storage Early Deployment Fund to speed the development of eight to 10 commercial-scale carbon capture and storage projects at coal-fired power plants.
- Encouraging domestic production of off-shore oil and natural gas.

- Updating and modernizing our nation's power grid to ensure reliability and efficiency.
- Establishing a "cap-and-trade" system to reduce GHG emissions gradually and economically.

This last proposal is opposed by many, but cap-and-trade is a proven, market-based method that successfully reduced sulfur dioxide emissions — and it did so at a substantially lower cost than many had predicted. It can do the same with GHG. The approach would establish emission caps and allow companies operating below those caps to sell "carbon credits." High-emitting companies could purchase those credits, allowing them to stay in business while retrofitting their facilities or building new ones.

Perhaps most important, the cap-and-trade provision includes language providing more than \$150 billion in incentives to develop carbon capture and storage (CCS) technology. Developing and implementing CCS technology will enable us to continue using our 200 to 300 years of domestic coal reserves, an essential element to keeping our economy running.

Deploying CCS technology could spur a boom in industrial construction, particularly in North America, where demand for electrical power continues to grow more rapidly than supply from renewable energy sources. A study conducted by BBC Research and Consulting in 2008 projected that building new coal-fired power plants using advanced technology that includes carbon capture and storage will

generate a lot of work. Building plants that produce a total of 20 gigawatts (GW) would result in 1.4 million man-years of work during the construction phase and 48,000 permanent, full-time maintenance jobs. If the nation builds 100 GW, those numbers rise to nearly 7 million man-years of construction jobs and 251,000 maintenance jobs.

These numbers show why I see many opportunities arising from the challenge of bringing this new technology to scale. The process will not be easy, and we have many hurdles yet to cross, but implementing the changes necessary to lower our GHG emissions promises to create a lot of work for industrial construction contractors and the union tradesmen who work for them.

In order to take advantage of this opportunity, we need the Senate to follow up on action already taken by the House of Representatives and pass a comprehensive energy bill. We can't let them drop that ball. ■



Newton B. Jones is the international president of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers, and Helpers. Jones has served the Boilermakers union in various capacities over the past 33 years — as a construction boilermaker; organizer; director of organizing and communications; managing editor of the Boilermaker Reporter and Boilermaker Organizer newspapers; and as the International vice president of the Boilermakers' southeast area.

Recovering from “The Big Fall”

by **MARK BRESLIN**
Special Contributor

AUGUST 2008. *It's a fine day at 8,500 feet. The Sierra peaks are shining in the sun. The thin air is crisp and clear. No one within miles. No e-mails, cell phone or interruptions. A week in the backcountry, just me and my wife Susan. I lead us up a rough trail toward a knife-edged ridge. Behind me I hear the unmistakable sound of her falling. We're 15 miles into the backcountry, alone.*

It is remarkable in life and business how quickly things can change from good to bad. You can consider every angle and yet you can still feel unprepared for the speed and severity of the challenges that you must face. In 2009 anyone except the very fortunate or the very reckless bravely faced the fall. The fall included the market, prices, profit, employment and opportunity. And this fall came after a decade of unprecedented opportunity and relatively easy money for both labor and management. It made it more steep and painful. It made it a fall that required action.

She's in the gravel holding her knee with that gritted face we all get when trying to suppress pain. In less than three seconds a small stumble put all her weight behind her knee then drove it into a sharp granite edge. As I pry her fingers off her bloody knee I see with alarm a very deep cut and the edge of muscle tissue. I clean it, tear up my shirt and bind it. We've got a 3 mile hike just to get back to our camp.

There are successive strategies for dealing with “The Big Fall.” First you react. You do what needs to be done because you have to. No amount of hoping gets you past this first step, unless you are in deep denial. Those contractors and union leaders in denial in this market will likely permanently lose market share, volume and membership. The market of yesterday is not coming back as it was — one based on foolish exuberance, fraud and unsustainable credit. Despite this, I can see some leaders limping along



still telling themselves the denial story. Like they didn't read about GM. Like they have not watched every other union segment of American and Canadian industry face the same exact challenges. On the other hand, the smart business people are rapidly moving past denial or reaction to forward strategy; asking what do I do differently now to put myself in the best position? What are the things I can and cannot control? How do I go from reactive to proactive? What needs to change right now?

We need a doctor and a hospital now. An SAT phone is out of my pack and in my hand in one minute. A pre-planned tool and reward for the proactive. I call across the sky to the horse packing outfitter. I am told a team will come to retrieve us and our gear in five hours. By the time they come and pack the mules we will be riding out in complete darkness. There's only one thing to do. I bandage her wound and pack our stuff. Then we wait. And the sun goes down.

Leadership combines strategic action with forward thinking. Leadership maximizes value by leveraging talent and

resources. Leadership focuses on the critical few issues and not the diffused many so that the return on time and effort is noteworthy, obvious and motivating for the team. Leadership takes action in the face of “The Big Fall” knowing that only a plan of action bridges the good and the bad. Leadership demands that employees and union members understand and accept their reality. Leadership is not tentative. It must be bold in addressing crisis and creating opportunity.

We mount our horses in the dark. My horse knows it should be in bed and is looking at me funny. I am not encouraged. On the narrow trail I can't see my hand in front of my face. The horses can still apparently see and also follow by scent. We ride white knuckled over a 10,000 foot pass and the trail and sky open up with millions of brilliant stars above. It's bitter cold with hours to go. But even with the discomfort, with everything taken care of as best as it can be, we have no option but to simply hold tight to the reins, ride through the dark and trust that the destination is close at hand.

continued on page 12

2010 is about holding tight to the reins. 2010 is about staying on the trail with a firm destination in mind. It is a long hard trail that contractors, union leaders and rank and file are traveling. Many too have been traveling in the darkness for up to a year. And though the comforting rays of daylight and a better market may still be a year off, those firmly planted in the saddle, who lead with a proactive vision, are much more likely to make it all the way home.

We arrive at 3 a.m. at the hospital. It's been too many hours now for her to be stitched. She's mad it's going to leave an

ugly scar but her girly vanity is balanced by her 11 stoic hours of pain without one complaint. Most importantly, though, we have made it "home."

What were the components that led us to resolution?

- Effective pre-planning.
- A proactive action plan.
- A motivated and non-complaining partner.
- A competent rescue team willing to take risk.
- A clear final destination in mind.

These are what took us across mountains and what it takes to ride through to the end of this market.

Tough times are often our best teacher. The lessons from this market on leadership, management and change lessons should serve as the foundation for our future goals and

ambitions. You have to keep moving up. For me and Susan, after her fall, what might that future goal be? She tells me it will be the view at 20,000 feet when we climb the Cho La Pass near Everest in Nepal this spring. No fear. No discouragement. I should have known. I guess in summary, that in the recovery from our "Big Fall" we have to learn what we can learn, not let the disappointment or pain of the past discourage us, and shoot higher as soon as we are able... ■



Mark Breslin is a strategist and author who focuses on improving organizational performance, leadership and work ethic. Known for his blunt and uncompromising style, he has addressed more than 500 audiences and well over 100,000 leaders, managers and craft workers. He is the author of Survival of the Fittest, Organize or Die, Million Dollar Blue Collar, and Alpha Dog: Leading, Managing & Motivating in the Construction Industry.

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Contractors need to get familiar with E-Verify in the New Year

by ANDREW SIFF
Special Contributor

IN AN EFFORT to stimulate the nation's struggling economy, the U.S. Government is using federal money to fund a growing percentage of the U.S. construction market. While these new investments in infrastructure improvements provide significant benefits to the construction industry, each comes with its own conditions and mandates with which contractors must become familiar. One such requirement is the mandatory use of the Homeland Security Department's E-Verify system. E-Verify is an Internet-based electronic employment verification system that allows employers to check the employment eligibility of their workers against government databases.

Until recently, E-Verify was a voluntary program. Under the terms of the agreement employers sign to enroll in E-Verify, voluntary participants in the program can only use it to verify new hires. It must be applied equally to all new hires regardless of their citizenship or immigration status, race or national origin. Although participation in E-Verify does not provide a safe harbor from worksite enforcement, proper use of the program in conjunction with other appropriate procedures does create a rebuttable presumption that an employer did not commit a crime by knowingly hiring an unauthorized alien.

In response to perceived federal inaction on the issue of immigration, several states have enacted laws requiring the use of E-Verify as a condition of receiving a business license or a state contract. The federal government followed suit on June 6, 2008, when President Bush issued Executive Order 13465, conditioning many federal contracts (including most construction contracts) on the

use of electronic employment verification directed to be done through the E-Verify system. In November 2008, the Federal Acquisition Regulatory Council issued a final rule amending the Federal Acquisition Regulations to implement the Executive Order.

Application of the new regulations was delayed for nearly a year following an unsuccessful lawsuit filed by the U.S. Chamber of Commerce and due to the transition to a new Presidential Administration. Since September 8, 2009, however, many federal prime contracts require the use of E-Verify. This mandate does not apply to federal contracts to be performed in fewer than 120 days, for less than \$100,000, for work outside the U.S. (including Guam, Puerto Rico, and the U.S. Virgin Islands), or for contracts for commercially available, off-the-shelf products. The federal E-Verify mandate also requires all tiers of subcontractors operating under a covered federal prime contract to use E-Verify if the value of the subcontract exceeds \$3,000. The prime contractor is responsible for ensuring the subcontractor is aware of the requirement to use E-Verify. In contrast to voluntary participation in the E-Verify program, under the federal E-Verify mandate, employers will have to verify not just new hires, but also at least some segment of their existing workforce. Contractors have the option to subject to E-Verify either:

- All current employees as of the date of the contract award (with some limited exceptions) who are assigned to the contract, as well as all new hires whether or not they ever work on the covered contract; or

- Their entire workforce (again with some limited exceptions) as of the date of the contract award and all new hires.

Finally, even though this federal mandate does not apply to "federally-assisted" construction contracts to which the United States is not a signatory (such as state road construction funded by federal block grants), state mandates to use E-Verify may apply.

In 2010, as Congress contemplates further funds for federal, state and local construction projects to stimulate the economy, the federal E-verify mandate and its state analogues will make it harder for unethical contractors who employ and abuse undocumented workers to compete for government contracts. Ethical contractors must, however, ensure that they understand the operation of this program in relation to other laws and collective bargaining obligations applicable to them.

To find out more about E-Verify, go to www.DHS.GOV/E-VERIFY.

**This article is for general informational purposes only and should not be relied upon as legal advice applicable to a particular matter or dispute. The author's views are not necessarily reflective of, or endorsed by, the Department of Homeland Security or the U.S. Government.* ■



Andrew Siff is the managing partner of the Washington, D.C., law firm of Siff & Lake, LLP (www.scllaw.com), which specializes in labor and employment, immigration, election law and government ethics and related public policy issues. He previously served as counselor and chief of staff at the U.S. Department of Labor.

Hiring right: Reduce costs and increase profits

by **CHUCK SUJANSKY**
Special Contributor

THE FACT IS, when you put the right people in the right seats at the right time, they will grow your business. However, if people problems like excessive employee turnover, plummeting productivity and added stress prevail, success will be a distant vision.

Consider the typical case of Benj. He has a key position to fill in his organization, a vice president of sales, and he puts the word out that he is looking. Benj gets a few referrals, interviews the candidates, checks references and narrows the pool down to his number one choice. After a few months... pow! Instead of getting a high-performing revenue-generating executive, Benj got a person who alienated employees and customers. What happened to the suave interview candidate who was going to set the company on fire?

Making a bad hire or promoting the wrong person to a key position will negatively affect your bottom line – often to the tune of one-two times the annual salary for the position. Even more startling is that if a company with 100 employees with an average salary of \$50,000 has a 15 percent turnover rate, it will experience a turnover cost of \$750,000 - \$1,500,000.

But all is not lost. In order to make the right hiring and promotion decisions, you are wise to follow these practical techniques:

RECRUIT IN ALL THE RIGHT PLACES

We can't always ensure that the best candidates come from our "trusted sources" or from our competitors. Develop creative ads and consider innovative recruitment techniques like open-house events and social-networking sites to find qualified candidates.

PREPARE FOR A QUALITY INTERVIEW

The preparation should involve a detailed review of the job description, carefully scripted behavioral-based interview questions and a scorecard to review all the candidates. That way you are comparing candidates against the same objective



Making a bad hire or promoting the wrong person to a key position will negatively affect your bottom line – often to the tune of one-two times the annual salary for the position.

criteria rather than a 30-second appraisal based on how they shook your hand or how well they described their past accomplishments during the interview.

ASSESS APPLICANTS FOR JOB MATCH

It is important to ensure that we are evaluating candidates based on their future potential to be successful not what they may have accomplished in the past. After all, what makes for success in our company may be very different than another company due to size, culture, customer base and the way that business is conducted. We need to determine the key characteristics that drive success in our organization and assess candidates against an ideal job match.

Our company's future is dependent on our employees and their ability to be successful in our market and within our industry. Don't leave these crucial decisions to chance – hire and promote right by putting the right people in the right seats to drive your organization's growth and profitability. ■



Chuck Sujansky is the chief executive officer of KEYGroup®, a business and human resources consultant, working with clients across many types of industries, including manufacturing, construction, retail, financial and health care.

Jordan Barab addresses safety issues at State of the Union Construction Meeting

by WAYNE CREASAP

IN ONE OF his final speeches as Acting Assistant Secretary of Labor for the Occupational Safety and Health Administration*, Jordan Barab provided an outlook of administration priorities for the near future at the TAUC State of the Union Construction Meeting on December 9, 2009. He emphasized that the Occupational Safety and Health Act of 1970 charged OSHA with writing and enforcing standards to protect workers and that this will be the primary objective of the agency under this Administration.

ENFORCEMENT

On October 30, 2009, OSHA issued \$87.4 million in proposed penalties to BP – the largest in OSHA's history, following the Texas City refinery explosion that killed 15 employees and injured 170. There have been several other recent significant cases where OSHA has cited companies for egregious violations of workplace safety and health standards.

In the last few months of 2009, OSHA had addressed more egregious cases and issued higher fines than in the previous fiscal year. This reflects Labor Secretary Hilda Solis' commitment to refocus OSHA's priorities on writing and enforcing standards to protect workers. OSHA's position is simple, "we're moving toward tougher citations and penalties not simply to punish, but to provide a powerful incentive for employers to respect their workers, integrate protection into business operations, and make prevention a priority."

Also during his speech, Barab stated that OSHA will enforce their standards uniformly on all construction sites, providing a fair and level playing field for everyone in the industry. And, that "OSHA will bring the full force of its citations and penalties to any contractor who violates the law."

Additionally, while the American Recovery and Reinvestment Act of 2009 intended to give a boost to infrastructure projects around the country, it also prompted an increase in OSHA staff and inspections to make sure everyone who receives this funding is following the rules and working safely. Further, with more focus on enforcement and standards, OSHA will be recruiting more staff to conduct inspections, pursue whistleblower complaints and develop workplace safety and health standards.

HISPANIC SUMMIT

Since one-third of all Hispanic workers killed on the job work in construction, Barab indicated that OSHA, along with the National Institute for Occupational Safety and Health (NIOSH) and other agencies, will be sponsoring a Hispanic worker summit in Texas in April 2010.

NATIONAL CONSTRUCTION REPORT CARD

Nationally, the 2008 numbers continue to demonstrate the importance of the focus four: Falls, struck by, caught-in-between and electrocution as the leading causes of construction fatalities. Falls continue to be the cause of one third of worker deaths in construction. Because OSHA knows the leading causes of death in construction, they will continue to be a major focus in OSHA inspections.

STATE PLAN OVERSIGHT

State OSHA plans have to be at least as stringent as federal OSHA standards. Following a recent evaluation of Nevada OSHA, federal OSHA has determined there may be deficiencies in state plans. Therefore, federal OSHA will conduct formal studies of every state plan that administers its own occupational safety and health program. The objective is to achieve better performance and consistency throughout all state OSHA plans.

ACCURATE RECORDS, GOOD INCENTIVES

OSHA is also concerned about accuracy in reporting workplace injuries and illnesses. A recent Government Accounting Office (GAO) audit on recordkeeping indicated OSHA's current audit process needs improvement.

Additionally, the report determined that certain incentive and discipline programs can discourage workers from reporting injuries and illnesses. Further, the report indicated that a high percentage of health care providers have been pressured to adjust treatment or take other steps to avoid reporting injuries and illnesses.

As a result, OSHA has initiated a Recordkeeping National Emphasis Program to ensure that injuries and illnesses are accurately reported. OSHA will aggressively enforce the recordkeeping standard and will put a special focus on identifying programs that may discourage workers from reporting.

continued on page 16



STANDARDS AND GUIDANCE

Expect to see a lot more standards under this Administration.

In recent months, OSHA has:

- Sent out a silica risk assessment for peer review
- Issued a final rule updating personal protective equipment
- Revised enforcement policies for fall protection during steel erection
- Posted a letter of interpretation requiring high-visibility warning garments to protect construction workers in highway work zones
- Issued a direct final rule to protect workers from acetylene hazards

In the coming months, OSHA will:

- Continue working on a final rule for confined spaces in construction
- Publish a standard for electric power generation, transmission and distribution

OSHA is also preparing the final rule in the new cranes and derricks rulemaking and plans to issue the new standard in July 2010.

TRAINING AND EDUCATION

OSHA awarded more than \$6.8 million in Susan Harwood Training Grants to 30 recipients.

OSHA continues to strengthen its Outreach Training Program, 10 and 30 hour courses, by improving how trainers become authorized to teach and by ensuring these trainers are in compliance with OSHA guidelines. OSHA recently published the "Fraudulent Trainer Watch List" on the osha.gov website with names of individuals who have had their trainer authorizations revoked or suspended. OSHA will also continue to monitor the quality of these classes.

Compliance assistance will also be available to help businesses create safer workplaces, but Barab cautions that it "is not a replacement for standards and enforcement."

COOPERATIVE PROGRAMS

Due to a 2004 GAO report, OSHA is evaluating the effectiveness of their cooperative programs, particularly VPP

and Alliances. OSHA will be changing the way these programs are managed with the intent to preserve their best components given a limited budget in the future. Internally, there will be no quotas to meet for VPP and other cooperative programs.

Among other efforts, Barab indicated that OSHA will look to the Advisory Committee on Construction Safety and Health (ACCSH) for recommendations to update existing standards, consider new rulemaking or offer guidance that can help protect construction workers.

Further, he indicated that OSHA will also try to streamline the rulemaking process. Emphasizing that the long duration of the rulemaking process does not provide "an acceptable, timely response when we find workers are in danger."

OSHA also intends to address the issue of musculoskeletal injuries, noting that not only are these types of injuries debilitating, but costly. To aid in the collection of data, the agency is moving forward with adding the MSD column to the OSHA 300 form again.

Closing out his remarks, Barab commended TAUC and its members for strongly promoting safety and health in the workplace through cooperation between management and organized labor - noting that the agency will be soliciting the organization's "ideas, innovations, commitment and willingness to help develop better construction safety and health in our Nation."

**Footnote: Dr. David Michaels was confirmed by the U.S. Senate and was sworn in on December 9, 2009 as Assistant Secretary of Labor for OSHA. Jordan Barab is now serving as Deputy Assistant Secretary of Labor for OSHA.*



Wayne Creasap is the director of safety and health at The Association of Union Constructors. He can be reached via e-mail at wcreasap@TAUC.org or telephone at 703.524.3336 x123.

Contractors: *The Construction User* is waiting to hear from you!

UNION CONTRACTORS (and contractor employees): Have you been promoted? Did you join a new company? Are you retiring? Let us know. *The Construction User* would like to share the good news with thousands of individuals, nationwide, in your industry.

Please contact Todd Mustard via e-mail at tmustard@TAUC.org or telephone at 703.524.3336 x112. At a minimum, please tell us:

- Your first and last name (as you would like it published)
- Your former company or educational institution (if applicable)
- Your current company
- Your former title
- Your new title
- Date of the change



Union contractor groups join forces *TAUC and NACA sign strategic alliance*

THE ASSOCIATION OF Union Constructors (TAUC) and the North American Contractors Association (NACA) formally consummated a strategic alliance that will help both organizations in advancing mutual interests beneficial to their respective memberships and the union construction industry. This alliance was signed at the TAUC 2009 State of the Union Construction Industry Meeting held on Wednesday, December 9.



The alliance serves as a logical positive step in bringing the employer segment of the union construction industry together by deepening the commitment to work more closely on activities and issues that impact TAUC and NACA both on a regional and national level. "This alliance will bring together the support and resources of two organizations that have a tremendous amount of synergies to the benefit of both of their memberships, and the positive impact they want to see in the union construction industry," said NACA Chairman Tim Reddington of Day & Zimmermann NPS.

Several key points from this strategic alliance include:

- Conduct joint meetings and share information related to construction labor relations, safety, and increasing market share;
- Participate in joint development of products and practices that benefit safety, productivity, market expansion, and profitability;
- Focus on issues of common interest that serve to promote a superior value-added product for clients;
- Increase membership awareness of industry issues through the exchange of information published in print and electronic media;
- Participate in research that emphasizes the development of strategic goals; and
- Enter into a tripartite approach involving owners, contractors and organized labor in bringing resolution to industry issues.

"Our association sees this as another incredible opportunity for the union contractor segment of the construction industry to come together to work on mutually beneficial goals, so that we can provide the best value to the clients of construction services," said TAUC President Robert Santillo of McCarl's Inc. TAUC is an umbrella organization, which is focused on working cooperatively with all union construction employer organizations.

NMAPC Zero Injury Safety Awards turns 10!

SAVE THE DATE and be sure to join us as the National Maintenance Agreements Policy Committee's Zero Injury Safety Awards turn 10 this year! The 10th Annual Zero Injury Safety Awards Gala will be held October 28, 2010, at the National Building Museum in Washington, D.C.

These awards recognize the tripartite safety efforts of contractors, labor and owners on projects worked under the National Maintenance Agreements with zero OSHA recordable injuries. Submit your application now and find out more about the awards, including past winners, on www.NMAPC.org.

NMAPC tripartite highlights

CONTRACTORS

Under the National Maintenance Agreements work hours must be reported online each quarter for owner, state and craft at www.NMAPC.org. Simply select the "Report Work Hours by Site Extension Request" link on the "Work Hours Reporting" page. Remember, you must have work hours reported by Site Extension Request to qualify for the Zero Injury Safety Awards!

OWNERS

Did you know that owners/construction users can view contractors' reported work hours for work performed under the terms of the National Maintenance Agreements on your sites? In fact, owners/construction users can view work hours reported by individual Contractors, Sites or States on www.NMAPC.org.

UNIONS

National Maintenance Agreement participating International Unions can view all work hours reported by contractor, state, and craft for each quarter and year on www.NMAPC.org.

For National Maintenance Agreement work hour reporting assistance please contact Ben Cahoon, membership services administrator at 703.841.9707 x118.

CPWR working on performance metrics for safety and health in construction

AN ADVISORY COMMITTEE, made up of construction safety and health representatives from around the country, is providing feedback to CPWR — the Center for Construction Research and Training on a performance metrics project for safety and health in construction. While still under development, this project aims to identify leading and lagging indicators in construction safety and health for small, medium and large companies. The goal is to develop a tool/product for use in the field by contractors that will help reduce injuries and illnesses on construction projects while maintaining productivity.

Questions regarding this initiative can be directed to Wayne Creasap, director of safety and health for TAUC, at wcreasap@TAUC.org or telephone at 703.524.3336 x123.



Mark Your Calendars!

Leadership Conference 2010

“Calibrate Your Leadership Compass”

May 11-14, 2010

Arizona Biltmore Resort and Spa
Phoenix, Arizona



**Best Selling Author and Harvard Business School Professor
Bill George will be the Keynote Speaker!**

TAUC Leadership Conference 2010



REGISTER NOW FOR TAUC Leadership Conference 2010 being held in Phoenix, Ariz., from May 11-14, 2010, at the historic Arizona Biltmore Resort and Spa. This will be an opportunity to "calibrate your leadership compass" and network with some of the most respected leaders in the construction industry.

Speakers that have already been confirmed include:

- President and General Manager of Chevron's Project Resources Company **C. Michael Illanne**
- General President of the Laborers' International Union of North America **Terence M. O'Sullivan**
- General President of the United Association **William P. Hite**
- Executive Director of the Alliance for American Manufacturing **Scott Paul**
- Chief Executive Officer of the KEYGroup **Chuck Sujansky**



And the 2010 Keynote Speaker is:

- Best Selling Author and Harvard Business School Professor **Bill George**
- Additional information regarding the agenda and registration can be found on www.TAUC.org.

For questions related to TAUC Leadership Conference 2010 please contact Todd Mustard, senior director of member services, at tmustard@TAUC.org or 703.524.3336 x112.

Quality Construction Alliance Legislative Conference

AS A UNION CONTRACTOR you have specific issues that impact your business, and there has never been a better time than right now to get involved in the federal political process. Our industry must be represented, and we need your help in delivering our message to Washington policy makers.

The Association of Union Constructors (TAUC) is co-sponsoring the Quality Construction Alliance (QCA) National Issues Conference at the Renaissance Hotel in Washington, D.C., May 3-5, 2010. The QCA is made up of five union contractor associations: the Finishing Contractors Association (FCA);

the International Council of Employers of Bricklayers and Allied Craftworkers (ICE); the Mechanical Contractors Association of America (MCAA); the Sheet Metal and Air Conditioning Contractors National Association (SMACNA); and TAUC.

The main issues that will be focused on at this year's conference include:

- Worker misclassification in construction.
- Multi-employer pension relief.
- Procurement reforms.
- Labor and employment issues.
- Construction stimulus.

This conference includes issue briefings, dynamic guest speakers, Washington insider information, presentations by legislative leaders, and face-to-face meetings with your members of Congress and/or their staffs.

The Quality Construction Alliance is the single, united voice for union signatory construction firms on federal policy issues. The new Congressional leadership is eager to have the input of union signatory employers on construction industry issues. Add to all that the history, the impressive monuments and museums, the typically warm days and cool evenings in the Nation's Capital in early May, and the stage is set for an outstanding conference. The Renaissance Hotel is convenient to the best the city has to offer.

For more information on the Quality Construction Alliance Legislative Conference and for registration information, please visit www.TAUC.org or contact Todd Mustard at 703.524.3336 x112.



New TAUC Member Service

GET DISCOUNTS OF 70% FROM UPS FREIGHT®

THE ASSOCIATION OF Union Constructors (TAUC) has signed an agreement with UPS Freight to offer its members a customized freight savings program from UPS Freight that provides them discounts for shipments weighing 150-20,000 pounds (LTL, or less-than-truckload), and covers all shipments billed collect to a member company, prepaid from a member company, or billed to a member company as a third party.

"We're helping our contractors watch and improve their bottom line every day, at a time when they need it most," said Todd Mustard, senior director of member services. "So we're pleased to continue providing this exclusive shipping program tailored to meet all their shipping needs at special rates not available anywhere else."

"UPS Freight is very excited to be able to work closely with TAUC's members to give them a competitive edge on shipping cost savings," said Chuck Pendleton, director, association sales at UPS Freight. "We encourage all members to contact UPS Freight for a free analysis of their freight shipments to

compare to the new and improved customized program."

In addition, UPS also provides TAUC members a menu of workflow products and features that leave more time for their business, including:

- Online tracking and desktop shipping.
- On-time performance within the continental United States, backed by a no-fee guarantee.
- Reliable offshore coverage, with complete service to NAFTA countries.
- Convenient visibility and billing tools, including: "UPS Worldship 2008™," "Quantum View Manager," and "My LTL Freight."



To discuss your customized discount and to enroll in the free TAUC/UPS Freight program call 866.443.9303 or send an e-mail to associations@upsfreight.com.

TAUC Continues Partnership with ARAMARK Uniform Services

THE ASSOCIATION OF Union Constructors (TAUC) continues to partner with ARAMARK Uniform Services, a division of ARAMARK, as a preferred service provider.

Since 1998, ARAMARK has consistently ranked as one of "America's Most Admired Companies" by Fortune. They provide uniform rental, uniform purchase and uniform leasing services to more than 400,000 customer accounts nationwide from over 228 service locations and distribution centers across the United States. ARAMARK's full-service employee uniform solution includes design, sourcing and manufacturing, customization, cleaning, maintenance and delivery.

ARAMARK offers a total uniform solution that helps you solidify your company's image, promote teamwork, enhance safety and motivate employees. Their fully-managed cleaning, maintenance and delivery services offer convenience for you and your employees; cost-saving uniform solutions — and ultimately, your peace of mind. A full-service uniform program not only instills confidence and respect for your corporate image, it provides protection and security for both employees and customers against contamination, life-threatening work hazard and crime.

THE VALUE OF UNIFORM PROGRAMS

Uniforms are good for business! A well-coordinated uniform program goes beyond dollars and cents. It provides a professional image that builds employee morale and helps raise the perceived value of your products/services.

ENHANCE IMAGE

Almost 60 percent of consumers and businesses prefer to buy from companies whose employees wear uniforms, says a survey*



conducted by Uniform

& Textile Services Association (UTSA). The survey also reported that respondents had more confidence in uniformed employees and found them to be more credible.

EMPOWER YOUR EMPLOYEES

Uniforms not only affect how your staff looks, they have a positive impact on their attitude and demeanor. Your front-line staff present a tremendous opportunity of selling for you — the first impression is as important as your branding campaign, store decor or the trucks that deliver your goods and services. A uniform program promoting your corporate image is one of the most cost-effective marketing investments you can make.

PROMOTE SAFETY

Appropriate uniforms made with the right material and designed in the right forms help protect workers from contaminants and hazards in critical environments. Uniforms help safeguard you by protecting your clothing and equipment; by preventing the accidental catching of garments in equipment and machinery; by increasing your tow operators' visibility and by protecting you from contaminants. In addition, a uniform program provides proper identifications, increasing the security level of your workplace and peace of mind for your customers.

Rental Uniform Programs: To schedule a rental uniform assessment, call Tania Allaire at 818.973.3906 and mention your company is a TAUC member.

* Source: Survey conducted by JD Power and Associates in May 2000, sponsored by UTSA

Massive UK construction industry bid-rigging investigation results in fines of \$215 million

by STEVEN J. FELLMAN
Special Contributor



THE OFFICE OF Fair Trading (United Kingdom) has announced that 103 construction firms in England have been convicted of bid rigging in violation of the UK's Competition Act.

The Office of Fair Trading examined hundreds of bids on construction projects involving schools, universities, hospitals, and numerous private projects from the construction of apartment buildings to the refurbishment of existing housing. The British Government found that construction firms in England had conspired to rig the bids on 199 different projects from 2000 to 2006. The construction firms used a tactic known in Britain as "cover pricing." In cover pricing, one or more bidders obtain an artificially high price from a competitor. The artificially high price (cover bid) is designed to ensure the cover bidder never gets the contract. In many instances, it was found that all of the bids but one submitted on a construction job were "cover bids." The low bidder got the job. But the low bid was in fact an inflated price bid. In some instances, the successful bidders paid an agreed upon sum of money to the unsuccessful bidders.

The British Government found that construction firms in England had conspired to rig the bids on 199 different projects from 2000 to 2006. The construction firms used a tactic known in Britain as "cover pricing."

These payments were known as "compensation payments." The unsuccessful bidders would submit false invoices to the successful bidder. These invoices ranged in amounts of \$4,000 to \$90,000 per project (about £2500-£56000).

Once the investigation began, many of the construction firms involved met with officials of the Office of Fair Trading and admitted their guilt. As a result, their levels of fines were reduced.

Antitrust enforcement is no longer just a United States phenomenon. Almost all of the major countries throughout the world have adopted competition laws similar to United States antitrust laws. Today contractors throughout the world – whether it be in countries such as China, Japan, Korea, Russia, the European Union countries, Australia, and many others – must recognize that

free and open competition is the rule of the game. Those who violate the competition laws pay significant fines and are subject to possible criminal liability. TAUC has adopted a strong antitrust compliance program. Copies of the TAUC antitrust compliance program can be found on the TAUC Web site.

TAUC members should be vigilant to ensure they do not violate the antitrust laws in any of the countries in which they do business.

For further information contact Steve Fellman, TAUC General Counsel, at sfellman@gkglaw.com. ■



Steve Fellman is president of GKG Law in Washington, D.C. He is also general counsel to The Association of Union Constructors.



Keeping people involved in safety

by **TONY DOWNEY**
Member Contributor

ONE DOES NOT have to be a rocket scientist to realize that successful safety processes are those in which all levels of the organization exhibit an unwavering involvement in the process. Yes, safety must be led by executive and senior management personnel. Yes, there must be a strong written program. Yes, there must be adequate procedures and effective training modules. Yes, people must be held accountable for their actions. Yes, safety orientation, pre-task planning, job safety analysis, daily pre-job briefs, daily inspections, daily job site inspections and safety walk-downs and weekly safety meetings are all very important to safety success. Each of these things makes up key elements of all successful safety processes. But it cannot be denied that the most significant piece of the puzzle is **employee involvement** in the process.

Many of our member companies have very good safety programs that deliver admirable results. However, I suggest that



Are all of your employees involved in the process? Are you involved in the process? Is your executive and senior management team involved in the process? To be successful, the answer to all three of these questions has to be a definitive YES!

in order to approach ZERO Injuries on our jobsites, a very important step change is required. That step change is to get real involvement in the safety process by each and every person in our employ.

Are all of your employees *involved* in the process? Are you *involved* in the process? Is your executive and senior management team *involved* in the process? To be successful, the answer to all three of these questions has to be a definitive YES!

OK, how do we get and, perhaps more importantly, keep people involved in the safety process, you may ask?

Well it all starts with caring about people; actively caring about the people for whom and with whom you work.

Here are a few ideas on how to involve employees in the safety process that have worked for other companies.

- Talk to people every day about safety.
- Let them know that what they do every day matters.
- Take a personal interest in their actions.
- Involve employees in safety planning (JSAs and PJBs).
- Make each employee's safety personal.
- Ask employees how they think they can do the job safely.

- Involve employees in safety meetings.
- Provide employees with a safe work environment and safe tools and equipment.
- Set the bar of safety expectations high, make the expectation very clear and coach employees to meet and exceed those expectations!
- Stop unsafe behaviors.
- Hold people to the expectations by holding them accountable for their actions.
- Recognize safe work performance.
- Keep safety awareness visible on the jobsite.

If you use Key Performance Indicators (KPIs) as part of your real time measures of performance throughout your company, think about adding employee involvement in the safety process to the list of indicators. In fact, the acronym KPIs, can and should also mean Keep People Involved in Safety! ■



Tony Downey is the director of safety for Day & Zimmermann NPS, Inc. and chairman of the TAUC Safety and Health Committee. Day & Zimmermann is a TAUC Governing Member based out of Lancaster, Pa.

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From boom to bust, and back again

by CHARLES A. BURNS III

Member Contributor

MY TERM AS Labor Committee Chairman for TAUC expires as of this May, and I feel very fortunate to have been able to serve with some of the best minds in labor relations and operations in the construction industry. It amazes me how much has changed over the last two years. When I began my tenure we were facing severe labor shortages, specifically as it related to welders, due to the tremendous amounts of work opportunities. Now, two years later we are in the greatest recession since the Great Depression. Our industry is used to the boom and bust business cycles, and any contractor who has survived such downturns can attest to the fact that the bust is by far the best time to prepare for the ensuing boom.

Volunteering your time and energy to bettering the industry via participating

in our association can be tough in both boom and bust cycles. You are either busting your ass to keep the work you've got, or busting your ass trying to get new work. But the dividends can significantly outweigh the effort and I would encourage anyone with an interest in bettering our industry to contact TAUC's staff about participating in this or any other committee within the association.

Our Labor Committee has representatives from large multi-national corporations as well as smaller regional contractors, and in this diverse group we are able to tackle some of the more complex problems impacting our businesses. Many are not quick fixes, but take a steady hand and patience to see the necessary changes occur.

Issues we all know our industry must face include unfunded liability,

fit for duty, workers' compensation, ensuring every worker is drug-free, and a host of others.

Great things can be done when contractors have the opportunity to get together and address these issues. Together our small committee is trying to make a difference, not only for our companies but also for the industry at large. I want to thank those whom I have had the pleasure of working with over these past two years, and look forward to continuing to partner with them and our new volunteers to help our industry. ■



Bud Burns is the executive vice president for J.J. White, Inc. and chairman of the TAUC Labor Committee. J.J. White is a TAUC Governing Member based out of Philadelphia.

I would encourage anyone with an interest in bettering our industry to contact TAUC's staff about participating in this or any other committee within the association.



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COMING EVENTS

May 3-5, 2010

**Campaign for Quality Construction
Legislative Conference**
Washington, D.C.

May 7, 2010

**Applications Deadline: 10th Annual
NMAPC Zero Injury Safety Awards**
Apply via www.NMAPC.org

May 11, 2010

TAUC Customer Caucus Meeting
Phoenix, Ariz.

May 11, 2010

TAUC Executive Committee Meeting
Phoenix, Ariz.

May 11, 2010

TAUC Labor Committee Meeting
Phoenix, Ariz.

May 11, 2010

**TAUC Local Employer Organization
Committee Meeting**
Phoenix, Ariz.

May 11-14, 2010

Leadership Conference 2010
Phoenix, Ariz.

May 12, 2010

TAUC Board of Directors Meeting
Phoenix, Ariz.

June 7, 2010

NMAPC Board of Directors Meeting
Annapolis, Md.

June 8, 2010

**NMAPC Owner Advisory Committee
Meeting**
Annapolis, Md.

June 8-9, 2010

**NMAPC Labor-Management
Committee Meeting**
Annapolis, Md.

October 28, 2010

**10th Annual NMAPC Zero Injury
Safety Awards Gala**
Washington, D.C.



The Construction User is an award winner!

THE CONSTRUCTION USER earned a Gold Award in the 2009 MarCom Awards (www.marcomawards.com). The international awards competition recognizes outstanding creative achievement by marketing and communication professionals.

There were almost 5,000 entries from throughout the United States and several foreign countries in the 2009 competition.

MarCom Awards is administered and judged by the Association of Marketing and Communication Professionals. The international association oversees awards and recognition programs, provides judges and sets standards for excellence.

Judges are industry professionals who look for companies and individuals whose talent exceeds a high standard of excellence and whose work serves as a benchmark for the industry.

Winners were selected from more than 200 categories in seven forms of media and communication efforts — marketing, publications, marketing/promotion, public service/pro bono, creativity and electronic/interactive.

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