Clockwise, from top left: President John Flynn of the International Union of Bricklayers & Allied Craftworkers; International President Edwin Hill of the International Brotherhood of Electrical Workers; General President James Williams of the International Union of Painters & Allied Trades; General President Patrick Finley of the Operative Plasters & Cement Masons’ International Association; General President Joseph Hunt of the International Association of Bridge, Structural, Ornamental & Reinforcing Ironworkers.

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National Electrical Contractors Association
International Brotherhood of Electrical Workers
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RECENTLY I WAS at a joint labor-management meeting, when one of my union contractor colleagues asked me, “Where do you see the union construction thing going...do you really think it will survive?” The question caught me slightly off guard, especially since the person asking had risen through the Trades to a position of considerable influence in his organization, and his firm is considered to be a shining star among union contractors. My answer was of the boilerplate variety. Of course, it will survive. It won’t look like it does today—there will be fewer unions, the demographic of the worker will be different—but the overall system is unbeatable in that you have a nationwide referral network and a training mechanism that has been institutionalized in our society for more than 100 years. But the question remains in my head and, as a gut check, I keep asking myself if the answer is right.

TAUC has just completed its second Leadership Conference and I have to say, as I start my second and final year as your president, it’s my opinion that we, as TAUC, and the union sector of our industry as a whole, is starting to move in the right direction. The leadership of TAUC has always referred to our mission as one of making the “flywheel” start to move in the right direction. It doesn’t happen quickly, but once it gains momentum, little by little, it starts to move more rapidly.

Attendance at the conference was up, and for the first time we had contractors that fall into our “regular” member category attend and participate as people who want to help pull the oars and save our industry. We had five International Union General Presidents in the persons of Joe Hunt of the Iron Workers, Ed Hill of the IBEW, Pat Finley of the Cement Masons, John Flynn of the Bricklayers and Jimmy Williams of the Painters sit with us and talk (TAUC) with us about collectively saving the industry. Folks, for this level of dialogue to occur in an unscripted town-hall style meeting where Average Joe contractor can sit and discuss what’s important in his market with a GP, in itself, provides a vision that not too long ago would have been completely unthinkable. We had Mark Ayers, the President of the Building Trades Department of the AFL-CIO, echo many of the sentiments of the contractors, that basically we’ve stopped moving in the wrong direction but we have one hell of a long way still to go. When Mark was speaking I was reminded of Churchill’s famous quote at the end of the Battle of Britain where he said, “…this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning.”

Although attendance was up, it wasn’t astounding. We had about 90 union contractors come to the meeting and weigh in. We need a lot more than that in future years. We need to tap the collective brain power that exists out there to help us start to expand further down the road of resurgence. Further, it’s time to hear from the contractors who read this page and don’t participate as much as you think you should.

To that end, I want to hear from you. Tell me, as President of YOUR association, what it will take to get you to your meetings. I also want to hear what you think about this magazine and its content. What do you need to read about in the pages of this publication? TAUC staff has set up a special e-mail, info@tauc.org, where you can e-mail your comments. Please do so.

Finally, I must leave you with this message. I firmly believe that union contractors and their employees are the safest workforce in the most dangerous of settings. Stand up and be recognized. The NMAPC’s Zero Injury Safety Awards program continues to grow. It’s a national forum where you, as a union contractor, can showcase your safety record. Let’s boast about how safe we are!
UNION CONSTRUCTION IS GOOD FOR YOUR HEALTH!

BY BILL HERING

IN MY LAST article we touched upon the healthcare costs affecting our businesses and union craftsmen and women. We will continue on that theme in the next edition, as this time I wanted to touch upon what our Safety and Health Committee has been up to since TAUC was established in January 2007.

Needless to say, our Safety and Health Committee has been incredibly busy. After our initial meeting in July 2007, the committee immediately began to set policy for the association as it relates to safety and health issues, forming tangible relationships with OSHA, and facilitating product and service development. Some highlights include:

• Meeting with the Occupational Safety and Health Administration (OSHA) to discuss a potential alliance between our two organizations;

• Begin filming the International and General Presidents of ALL the International Unions for inclusion in a TAUC Safety and Health Orientation DVD/VHS; and

• Setting up a variety of subcommittees and task forces to tackle some very difficult issues faced by union contractors.

These subcommittees and task forces are reviewing:

1. The current National Substance Abuse Programs available and which one (if any) should TAUC endorse;

2. The creation of a safety and health index that will contain safety- and health-related statistics based on the results of all of the various International and local union safety programs; and

3. Webinar topics and presenters.

I would like to spend some time discussing what we are trying to accomplish with this safety and health index. I first must give credit where it is due and acknowledge the inception of this idea came from the National Association of Construction Boilermaker Employers (NACBE), which has been tracking this data for the boilermakers since the early 1990s. Each year NACBE awards those boilermaker locals that have achieved stellar safety records based on the data collected by boilermaker employers.

Every year the various international unions and their locals spend millions of dollars on safety programs to educate and train their members. This is not only the right thing to do, and they should be commended for this, but it is also an invaluable marketing tool for everyone in the union construction industry because… “Union Construction is good for your health!”

The contractor community also spends millions collectively on their safety programs, but amazingly, on both the management and labor sides, much of this is not being tracked. Critical data is being lost. How do we know if these programs are working if we are not tracking their results? How does an International union know which of their locals needs additional resources to correct issues they might be having, which would be easily identifiable if some type of data collection was being done?

TAUC’s Safety and Health Committee is currently in the process of reaching out to each of the International Unions Safety Representatives to get their support for this type of program, but anyone in the industry can assist in these efforts by preaching the need for verifiable data to anyone who will listen—owner, contractor or union.

The technology is available for us to do this, but it must be done collectively and shared freely. This is a competitive business, and many times safety performance can be the edge that gets a union contractor the work over our non-union competition. Knowing where to spend the extra money to combat a serious issue, as it relates to safety and health, is only a positive and sends one more person home safely.

TAUC continues “to act as an advocate in advancing and enhancing the value of the union construction industry through an educated and action-driven membership by fostering the promotion of labor-management cooperation, workplace safety and health, and collaboration with construction users in order to help union contractors compete more effectively in the marketplace.”
GIVE THE CONTRACTORS WHAT WE NEED AND WATCH MARKETSHARE GROW

THE ‘MAKE IT EASY’ SOLUTION

BY GARY KEBERT

AS I PEN my last article for The Construction User I reflect on what is really important, growing our business. Now the catch phrase has been “market-share” and the number bandied about by both union leaders and contractors alike has been about 14 percent—union. So, I intend to take this space to write what I believe is an invincible strategy for expanding marketshare...let’s call it the “Make It Easy” solution.

Let me give you an example. I, as a union contractor, decide to bid work somewhere around the country. I take a moment to analyze the statistic cited above in the first paragraph, and quickly surmise—I am an engineer after all and feel very comfortable around numbers—that there’s a high probability I will be bidding against non-union competition. At this point, I decide to use whatever means legal and necessary to secure the job. My estimating team has good productivity numbers. We have a great safety record. I’ve developed a plan for utilizing subcontractors where necessary. We’ve taken into consideration materials costs. We’ve covered all the bases. All we need now is to win the bid, make payroll and earn some money.

Realizing that craft labor is critical to a TAUC contractor’s success, I reach for the National Maintenance Agreement. I’ve used it a thousand times; it’s an all-union agreement with 100 percent wages and 100 percent fringe benefits. It has a means of handling jurisdictional disputes in a venue with management and labor, which is independent of the project site. We even have an opportunity to work up an addendum to handle special circum-
stances on this particular project.

This is great! We’re expanding market share at the expense of our cut-rate non-union rivals!

Then the other shoe drops. We filed requesting permission to use the NMA and we get DENIED. Denied?! The dreary message from the international union reads that we are to contact the local business agent to find out why we were DENIED! The scope of the agreement is in question...DENIED! We don’t use the NMA in this neck of the woods...DENIED!

Here’s how the “Make It Easy” solution would work. The TAUC contractor files a request to use the NMA and it gets approved. No politics, no backroom deals, no pandering to the specific needs of one person or the whimsy of a few who would prevent the use of a good, 14 craft agreement.

I will take this a step further. When a TAUC member (remember, it says UNION in our name) wants to use the NMA on any scope of work, we should be allowed, as long as we are in good standing with all trusts and are going to pay the appropriate wages and fringe benefits. This is where the unions could, in fact, make using their services easy. Some call this being “user friendly.”

At a recent conference a local union representative asked the Impartial Secretary of the NMA, Steve Lindauer, whether the NMA had been approved for use on a new construction project. Lindauer answered that the project the man was talking about had been denied by the committee, due to concerns over “scope” raised by the local unions. He went on to add that of the 12 similar projects proposed to be built in that state, 11 had been done non-union. Lindauer failed to mention that in the state just to the east, the same new project was being built 100 percent union under the NMA.

This is my final, fair and firm offer: the “Make It Easy” solution. Make it easy for union contractors to utilize whatever agreement they need to make them more competitive, and watch the marketshare numbers grow!

Gary Kebert, vice president for Meccon Industries, was chairman of TAUC’s Labor Committee and a member of TAUC’s Board of Directors from 2007 to 2008. If you would like to comment on this article and/or make a suggestion to TAUC’s Labor Committee, please e-mail labor-relations@tauc.org.
TO TIE OFF OR TAKE THE FALL?

30 FOOT RULE vs. OSHA’S DIRECTIVE
vs. CONTRACTOR LIABILITY

BY STEVEN JOHN FELLMAN

IN THE LATE 1990s, OSHA convened a Negotiated Rulemaking Committee and tasked the committee with establishing standards for steel erection. The members of the committee included representatives of labor, management, safety experts, government agencies, and the public.

The committee debated long and hard over many safety issues involving steel erection.

Finally, consensus was reached and a standard was published by OSHA. One of the key issues in the negotiated rulemaking involved fall protection. The question was whether or not contractors should be required to have fully planked or decked floors or nets within every two floors or 30 feet under areas where steel erection is being performed. Those in favor of the floor and decking requirement argued that floors and decking would protect workers on the job below the deck area from the danger of being hit by falling objects and would also protect workers from falling great distances. The Negotiated Rulemaking Committee included a recommendation for what became known as the “30 Foot Rule.” That recommendation was incorporated in OSHA standards at 29 C.F.R. §1926.54(b)(3).

The Negotiated Rulemaking Committee also considered the question of tripping hazards. The committee recommended that tripping hazards such as shear connectors, reinforcing bars or threaded studs not be installed at the fabricator’s shop, but be installed on the job after decking or other walking/working surfaces were installed. Again, this recommendation was specifically included in OSHA’s regulations at 29 C.F.R. §126.54(c)(1).

Soon after the regulations were published and became effective, OSHA decided that it would again review the question of the 30 Foot Rule and issues relating to tripping hazards. OSHA is not authorized to change these regulations without a formal notice and comment rulemaking proceeding. However, OSHA did issue a Compliance Directive, CPL 02-01-034, which set forth the enforcement policy that OSHA will follow in implementing the 30 Foot Rule and permitted shear connectors, reinforcing bars or threaded studs to be installed in the fabricating shop rather than on the jobsite.

In spring 2008, on a major project in Las Vegas, Nevada, an ironworker was killed when he fell while working on a hotel project. The contractor had decided not to follow the 30 Foot Rule and install decking or netting. The contractor did require that the employee tie off but for some reason the fall arrest system did not work. As a result of this tragic death there was a series of newspaper articles followed by public hearings questioning why OSHA had decided not to enforce the 30 Foot Rule and why the contractor had not installed decking as required under the rule.

In recent weeks, there have been a series of Congressional Hearings questioning why OSHA has not been enforcing existing safety standards. Under the current administration, OSHA has emphasized voluntary compliance initiatives rather than litigation. Critics of OSHA have claimed that OSHA’s failure to actively enforce safety regulations has resulted in the significant increase in workplace injuries.

As contractors, TAUC members should recognize that although the steel erection Compliance Directive states that requiring employees to tie off may be an adequate substitute for installing decking under the 30 Foot Rule, failure to follow the regulations may result in significant liability. We recommend that every contractor carefully consider this issue and consult with legal counsel when considering whether to follow the 30 Foot Rule as required by regulation or take the risk of following the tie off requirements in the Directive. Following the Directive may cause unnecessary workplace injuries and result in increased liability that will offset any savings.
BOLD ACTION TO DOUBLE MARKETSHARE AND UNION MEMBERSHIP

BY MARK BRESLIN

OUR INDUSTRY CAN double both marketshare and union membership in 10 years. I firmly believe this and also have a strategy for you to consider that supports the objective.

First, let us look at what we are doing now: training; organizing; client service; codes of conduct; restructuring; apprenticeship; marketing; politics and PLAs; and workforce development. All these are essential components of a viable business model, but none of them are direct engines of growth. They are cylinders only.

The key to growing marketshare and membership is to grow union contractor capacity.

The union construction industry is self-restricted in its current ability to grow due to limited capacity, with capacity being defined as “How much total work can all union contractors and workers perform at maximum output?” I propose that the primary obstacle to our growth and expansion is the lack of qualified field management. If contractors cannot find foremen and superintendents to build crews around, there is nothing else that can assist them in increasing the size of their firms.

Union contractor capacity is directly constrained by the amount of work they can profitably manage. Thus, in many instances a contractor comfort zone exists at current volumes and especially in their current markets. Conversely, if there are increases in qualified field management, contractors will build crews around these individuals. Also, contractor risk is directly tied to the capability of their field foremen and superintendents. By increasing their qualifications and ability, we reduce contractor risk in their profit-versus-growth calculation.
We cannot build marketshare on apprentices. They are a critical investment for the future, but they do not increase contractor capacity except at a basic level. Organizing importantly increases capacity by adding new union contractors and workers; but if more workers are added without foremen to lead them, they are destined for a lot of bench time. Our other tools do not relate to capacity. Contractors need to have real building blocks for additional capacity and they will not expand further into current or new markets without them.

**IMPACT OF INCREASED FIELD LEADERSHIP**

To examine the impact of qualified foremen and field leadership, let’s review the following numbers.

In 2008, for example, let us use 1.5 million union construction workers in the United States and Canada as our benchmark.

Now, how many workers are usually on a crew under one foreman? Obviously, this depends on the craft. But again, for example, let us say six guys per crew.

With this example, that would mean that there are around 250,000 foremen leading crews of six to seven guys on any given day in North America.

If you agree that contractors can only perform as much work as they can profitably manage, that means that adding management capacity equals growth in crews. If 250,000 foremen equals 1.5 million union craftsmen, then one net new qualified foreman equals six to seven craft workers. If you question this model you might want to look at our competition whose ownership of 85 percent of the market is based on this principle (one good guy and six warm bodies).

Now, how to really grow union construction capacity? **Provide every union contractor in the United States and Canada with one new qualified foreman every year for 10 years.** That does not seem such a large number. Only one guy per company per year? Well let’s run these numbers and see what kind of impact it has.

Take all the building and construction unions in the United States and aggregate all their signatory contractors. I wonder how many there are? Well, if the average size company out there employs 20 union guys, that would mean there are roughly 75,000 union contractors. If you don’t like those numbers, try 40 (a very high estimate) as the average number of employees, and you still get 37,500 union contractors. Let’s add just one foreman a year per company for a contractor to build a crew around and see what happens.

If 37,500 union contractors add one net new foreman per year multiplied by 6 field craft persons, the result is 225,000 new possible capacity and union members per year.

If 75,000 contractors add one net foreman per year multiplied by 6 field craft persons, the result is 450,000 new possible capacity and union members per year.

Now multiply these numbers times 10 years.

I know that the numbers above are rough and are not statistically perfect. So I invite you to cut them in half again. You will still come up with a very large increase in contractor capacity and double existing membership in 10 years. And where will the workers come from you ask, in this era of hand-wringing on workforce shortages? Right from our competition; decreasing their capacity, volume and market coverage.

Labor and management have been far too concerned with the bottom of the construction field workforce pyramid. Easily $500 million to $1 billion a year is spent collectively by all the unions and employers on apprenticeship and training. How much of that is directed at foremen and supervisory personnel? How many net new foremen are coming on-line annually (and what will that look like as the Boomers retire)? Ten years and $5-$10 billion in training funds from now where will we be? Where else do we grow our capacity, if not here and now?

Contractors can and will grow their businesses if given the right tools. There is no tool more powerful and compelling to build around than highly qualified foremen. They make the money. They drive the jobs. They mentor the young. They are the key. And simply matching that foreman with one key man is how each crew begins and each company expands.

Want to double up our marketshare and membership? It’s going to require different strategies, allocation of resources and a new leadership development mindset. I think it can be done if we build a new leadership culture that drives capacity. Ten years. Let’s start now.

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Mark Breslin is a strategist and author specializing in labor-management challenges. He is the author of Survival of the Fittest, Organize or Die and, being released this year, Alpha Dog and Million Dollar Blue Collar: Managing Your Earnings for Life and Work Success, a book on apprentice instruction. He addresses more than 50,000 labor and business leaders each year in North America. More on his work and profile are available at www.breslin.biz.

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CATEGORY III (OVER 100,000 CRAFT WORK HOURS) WINNER
Pat Kouns, Ironworker
Graycor Industrial Constructors, Inc.

1ST RUNNER UP
James Carroll, Ironworker
Midwest Steel, Inc.
The following are excerpts from the General Presidents’ panel entitled “Can We TAUC?” from the 2008 Leadership Conference. The panel was moderated by Mark Breslin, and included General President Patrick Finley of the Operative Plasters & Cement Masons’ International Association, President John Flynn of the International Union of Bricklayers & Allied Craftworkers, International President Edwin Hill of the International Brotherhood of Electrical Workers, General President Joseph Hunt of the International Association of Bridge, Structural, Ornamental & Reinforcing Ironworkers and General President James Williams of the International Union of Painters & Allied Trades.

Mark Breslin: Could you describe some of the things your unions have done in the last year to recruit new members and get them trained for the predicted labor shortage?

International President Edwin Hill: Well, we’ve taken a real evaluation as to how we do business, as we were losing marketshare in many parts of the country. So we added to our classifications, in what we call Construction Wiremen (CW) or Construction Electrician (CE). We have training programs throughout the country for these people, but how we’re getting them is we’re holding Industry Nights. We’ve done these in Florida and Texas, and in the northern states as well.

General President Patrick Finley: We have 60 job corps sites across the country that feed people in the trade, and like everyone else up here, we have our local apprentice program. But what are we doing to address the shortage? We’re failing. We are keeping the pace, but that is not enough for what we’ve got coming. That’s the bad news. The good news is that with opportunities like this, the TAUC Leadership Conference, we’re engaging the contractors so they can assist us in recruitment efforts at schools and at job fairs to jointly recruit into the trades.

Steve Johnson, GEM Industrial Inc.: How has the Code of Excellence Programs gone over in your trade, in respect to buy-in from the local unions, and are you seeing measurable results? Culture change, customer satisfaction surveys from end users, as to the changes they’re seeing.

General President Patrick Finley: The problem we’re experiencing is from the contractors, because they are hesitant to write a letter against a guy. They’d rather just lay him off, and it’s not helping either one of us. I know you guys are busy, and it’s easier to just lay him off and get someone else in there. But our biggest hurdle is not having the documents to back us up when we need to get rid of the bad performers.

International President Ed Hill: Quite honestly, our membership said it was about time…I’ve used these numbers many times: 75-80 percent of our membership just wants to go to work, and do their job, and go home…They’ve been the silent majority, and we’re turning them into a police force. They have to tell the non-performers, you can’t come into work late every day, or drunk, because our customers see that.

Mark Breslin: One thing you just said which resonates with people is that the local union leader can’t just get elected and not get the job done. This question is for President John Flynn, what can you say to this group who has to deal with the people on the ground who aren’t following the positive initiatives you guys are putting out?

General President Jimmy Williams: We retain the services of FMI to do that for our district councils. It’ll all depend upon the geographical jurisdiction. Our district council in Chicago, for example, has a 78 percent marketshare that covers two counties. How they think they’re doing doesn’t compare to DuPage District Council, right next door, which covers 13 or 14 counties that aren’t in a downtown area.

General President Joe Hunt: We do that as well in the Ironworkers, and in our studies we had one statistic really jump out to us: 47 percent of our members are either eligible to retire today, or will be in the next 10 years, and that 47 percent comes out to roughly 40,000 members. So, for us to just maintain our present membership, we have a yeoman’s task on our hand…it’s a real challenge.
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President John Flynn: For the most part, the code of conduct and all these things, we've had really good reception from our locals. The reception from our contractors has been great, as well. On a one-to-one basis, throwing people out, I haven't heard much about that. In our trade if you can't work hard, and don't do a good job, you typically can't make a living and you eliminate yourself from the business.

Gary Bohn, Kiewit Power Constructors Company: When a union contractor is successful in winning a job that provides work opportunities for union craft, why has getting buy-in to work under a national agreement become such a struggle?

General President Patrick Finley: The first reaction from the local is, forget the international, they can't tell us what to do. When you actually go through the agreements, comparing the national agreement to the local, there really isn't that much of a difference. The big part of the issue again, is communication, and part of that is our responsibility in explaining to the local guys what the minor differences are and why the national agreements are being used.

Mark Breslin: If you had to look into the future, 10 years ahead of today, how many building trades do you think there will be?

International President Ed Hill: I believe that discussion is out there all over the place, but I think it's up to each international union to make that decision. I believe the economy will dictate, but I hope in 10 years we will all still be here because we will all remain relevant and necessary.

General President Joe Hunt: I'm not going to predict how many will be here in 10 years. But do I think there should be some consolidation, yes.

General President Jimmy Williams: I am totally open to any type of consolidation, but we have to get back to the vehicle to do that. It has everything to do with the constitutions of each individual international union.

Mark Breslin: If you were put in charge of the entire industry, emperor for the day, and you could make any one change... what would be the change you'd make?

General President Jimmy Williams: I don't have a revelation, but what I would like to see, before any job was started, an entire pre-job, laying out all of the jurisdiction, all work assignments, and not leaving until everything is worked out and done. Is that a pipe dream? Yes, probably. Because it's tough to get everyone in the room...I would like to see a united building trades, everyone in the same house, following Mark Ayers.
TAUC Elects Four New Directors to Its Board
BY TODD MUSTARD

TAUC ELECTED FOUR new directors to its board on May 14 during the Opening Session of TAUC’s second annual Leadership Conference in Miami, Florida.

The following individuals were elected to a two-year term (2008-2010):

Bud Burns, J. J. White Inc.
Tom Felton, MC Industrial
Terry George, Sr., Bechtel Construction Company
Thomas Van Oss, Cherne Contracting Corporation

“Each of these individuals brings with them a great deal of knowledge and experience that will greatly enhance our already diverse Board of Directors,” noted Stephen R. Lindauer, chief executive officer of TAUC. “The board is charged with guiding our association and must ensure that TAUC remains a value to its membership and the construction industry,” said Lindauer.

The board also intends to bolster TAUC’s efforts to confront industry-wide challenges through advanced safety and health training, enhanced labor and management cooperation, and meaningful educational opportunities for its members and the union construction community. “Our association is a place where the issues and conflicts that affect union contractors are dealt with head on,” said Robert Hoover, president of TAUC. “The new board and I are looking forward to refining our current efforts and developing new, progressive strategies that will impact the union construction industry in positive ways,” added Hoover.

In his report, Hereda provided a definition of what the Customer Caucus defines as workers being fit for duty, and that is, “Being at the appropriate place, at the appropriate time, with the proper skills and tools to do the job.” Hereda then praised various International Unions for the implementation of codes of conduct and excellence. Hereda explained that these standards address important issues that affect job-site performance and ensure happier customers, such as, “…wearing the proper attire, having a good attitude, and having proper training along with pride in a job well done.” Hereda acknowledged that there is no doubt that union craftsmen are the most qualified and best trained in the business. If they could simply come prepared to work and live up to the codes of excellence developed by their unions, they would surely produce new and repeat business.

Hereda also addressed the issue of jurisdiction in the report of the Customer Caucus. “It was the consensus of the Customer Caucus members, who all heavily utilize union construction services, that jurisdictional disputes are a significant detractor from productivity…and jurisdiction should be handled by the unions and contractors.” Hereda went on to note the importance of conducting pre-job conferences and participating in tripartite committees to help alleviate jurisdictional disputes.

Hereda ended the report of the Customer Caucus by praising TAUC for its proactive and action driven approach to improve and enhance union construction, and left TAUC, as well as its union partners with a prophetic statement, “If you are successful in gaining the involvement of all your members and are supported by a workforce that is ‘fit for duty,’ the union construction industry will experience unprecedented growth.”

Thomas Householder is the director of Construction for American Electric Power out of Columbus, Ohio, and the chairman of TAUC’s Customer Caucus.

TAUC Customer Caucus Report
BY THOMAS HOUSEHOLDER

AT THE SECOND ANNUAL TAUC Leadership Conference, the owner community was represented through the TAUC Customer Caucus. The TAUC Customer Caucus is a select group of owner representatives who utilize union construction services, and who have embraced the tripartite approach espoused by TAUC to realize safe, successful and efficient projects.

The TAUC Customer Caucus met in a closed meeting to discuss a variety of issues affecting their projects and the union construction industry. Then, on May 16, Dan Hereda of ArcelorMittal addressed TAUC and union leadership during the final session of the conference. The message delivered was clear: There is a lot of work to be done and through partnership and collaboration, successful projects and market share growth will be realized and be a benefit to all three legs of the stool.

As you may recall, at last year’s Leadership Conference the Customer Caucus laid out a list of expectations they have for contractors, and requested that TAUC provide an outline of the expectations they have for the owner community. There were five basic expectations that contractors identified as items that would help ensure the most successful projects possible: the owner should designate a single point of contact for construction projects; the owner should grant the contractor exclusive responsibility for labor on the jobsite; the owner should focus on communication and provide as much information regarding a project as possible; the owner should provide prompt payment; and the owner should lend consistency to and become involved in jobsite safety.

Some of the other issues discussed in the Customer Caucus meeting include: the progress of TAUC; the role of the Customer Caucus; jobsite distractions caused by jurisdictional disputes; the current status of substance abuse testing in the industry; and the need for craftsmen to come to work “fit for duty.”
Thomas J. Reynolds Award Winners
BY MIKE DORSEY

THE THOMAS J. REYNOLDS AWARDS for Excellence in Construction Safety and Health were created more than 2 decades ago to recognize and commend the exceptional efforts made by TAUC contractor members to prevent the occurrence of serious injury or worse on the jobsite. Along with TAUC’s Craftsperson Awards and the National Maintenance Agreements Policy Committee’s (NMAPC) Zero Injury Safety Awards (ZISA), these awards are presented to union contractors whose number one goal on the jobsite is safety.

This was a landmark year for excellence in safety. TAUC had 71 members submit for the Thomas J. Reynolds Safety Awards, with their total hours worked at more than 139 million and only 144 days away from work cases! The average lost time incident rate of these TAUC members was an astounding .25 for 2007, well under the BLS National Average of 2.4.

This year’s awards ceremony took place at TAUC’s 2008 Leadership Conference. See the list of award winners on page 12.

Craftsperson Awards Recognize Ingenuity and Leadership
BY MIKE DORSEY

THE CRAFTSPERSON AWARDS for Ingenuity and Innovation in Construction were developed by the National Erectors Association’s (NEA) Labor Committee in 1989. The NEA was the first employer association to establish a national award recognizing and celebrating the achievements of our most important partners—the craft workers who turn blueprints into bridges, buildings and industrial plants. The craft workers of the Building Trades Unions that we work with are our most important partners. This award recognizes journeymen, foremen, or general foremen for their achievements in one of five areas of excellence: schedule and budget; productivity; cost savings innovation; safety and health; and outstanding craftsmanship.

In Category I, for projects under 25,000 craft work hours, the 2nd runner up was awarded to Todd Zehner, a painter for Manta Industrial, Inc., for his work on the Northern Indiana Commuter Transportation District in Hammond, Indiana. While early cost projections indicated the project would lose money, Zehner took over as supervisor and immediately investigated an alternate chemical stripping product and also coordinated with the general contractor and owner on issues regarding the train schedules, flagger schedules, shutdown schedules and weekend schedules to complete the project on time.

Both the 1st runner up and the winner in Category I were tradesmen working for Stevens Painton Corporation (SPC), a TAUC Governing Member. The 1st runner up for Category I was James Huston, a carpenter who worked on the Reliant Energy Cheswick Power Station Plant in Springdale, Pennsylvania. Through Huston’s innovative management of a self contained Pneumatic Batch Plant, SPC achieved production rates in excess of 400CY per day, which resulted in a 20 percent cost and schedule duration savings.

The winner for Category I was Ken Balcerak, an ironworker for SPC, for his work on the ArcelorMittal Blast Furnace MACT Project in Burns Harbor, Indiana. SPC took the job mid-stream after two previous contractors had failed. This job was done under live furnace operations, which presented conditions that exceed normal safety conditions. Balcerak’s approach to safety provided a comforting level with his supervisors as well as all personnel under his direction. His knowledge of the work, his ability to recognize an unsafe condition and take control to remedy the situation and provided a job that enhanced customer relations, provided a safe working environment, increased productivity, and stayed on schedule and within budget.

In Category III (projects over 100,000 work hours), the 1st runner up was James Carroll, an Ironworker at Midwest Steel, Inc., for his work at the KBR Government Processing Facility Project in Florida. With the initial erection plan calling for four cranes, Carroll’s unconventional plan to re-sequence the blast wall panels before the hoist saved Midwest Steel more than $1 million in crane rental costs. In addition, using two cranes instead of four eliminated the chances of boom interference. Bill Treharne, director of Engineering and Administration at Midwest Steel remarked, “A true artisan builds his model in his mind and orchestrates the actions in a series of masterful movements that appears effortless to many. James Carroll displayed this ability in three major components in this project.”

This year’s Category III winner for projects over 100,000 craft work hours was Pat Kouns, an ironworker at Graycor Industrial Constructors, Inc., for his work on the Severstal Rebuild Blast Furnace “C” Project. On this project, the third complete blast furnace rebuild in the world in the last five years, Kouns worked with the owner’s engineers, material suppliers and the construction team for one year leading up to the outage to develop the shortest schedule possible. Working with Detroit Building Trades craftspeople, 30 days were saved by preassembling major components on the ground prior to the outage, five major pieces weighing 200 to 535 tons were then hoisted as one unit. With the furnace operating value of $1 million per day, the 30 days saved was a huge savings to Graycor’s client. Safety was not sacrificed on Kouns’ job; every employee on site was safety trained and all supervisors performed per shift safety audits.

The Annual Craftsperson Awards for Ingenuity and Innovation in Construction were presented on May 15 in conjunction with TAUC’s second annual Leadership Conference. See the list of award winners on page 12.
NACBE and TAUC Sign Strategic Alliance
BY JOHN ERICKSON

ON MAY 16, the National Association of Construction Boilermaker Employers (NACBE) and The Association of Union Constructors (TAUC) signed a first-of-its-kind strategic alliance that will assist both organizations in providing additional value to their respective memberships.

“This strategic alliance will bring both of our organizations closer, working toward mutually beneficial goals, so that union contractors ultimately benefit from, and improve upon, synergies that already exist,” said TAUC CEO Steve Lindauer. “We are looking forward to the prospect of a closer relationship with NACBE as we know there is a lot that needs to be accomplished in our industry,” added Lindauer.

In my opinion, this is truly a landmark occasion, where the union employer community is strategically attempting to become less fragmented, and coalesce behind shared values that will ultimately make both organizations stronger. The commonality of industries served and long working relationships on joint efforts with the Building Trades Department of the AFL-CIO makes this a logical next step in advancing our shared interests. For some time now our organizations have met together each year, but the focus there was always safety and health related. Now both memberships are on board with cooperating on a multitude of new activities. Many of these are outlined in the strategic alliance that was signed by both organizations, and from NACBE’s perspective, other strategic alliances that can assist union contractors will be welcomed.

John Erickson is the executive director of NACBE. To learn more about NACBE, visit www.nacbe.com. To see excerpts from the NACBE-TAUC Strategic Alliance, visit www.tauc.org.

TAUC Members Press Congress for Change in Policies
BY JEFF KOHNSTEDT

THE SPECIALTY CONSTRUCTION Industry 2008 National Issues Conference brought TAUC members from across the country to meet in Washington, D.C., May 19-20, at the Washington Court Hotel. Conference attendees lobbied Congress on a full slate of issues including worker misclassification, the 3 percent withholding tax repeal, and federal contract procurement reform.

TAUC President Robert Hoover of Aker Construction said this year’s conference was by far the best he had seen in recent memory. “This was a great opportunity to bring the issues affecting union contractors to Capitol Hill,” he said.

This year’s conference was, for the first time, held in conjunction with the International Foundation of Employee Benefit Plans (IFEBP), a non-profit educational association dedicated to the education of employee benefits professionals. This joint meeting between TAUC, the IFEBP, and industry partners, including the International Council of Employers of Bricklayers and Allied Crafts (ICE) and the Mechanical Contractors Association of America (MCAA), gave TAUC members a unique forum to visit their legislators and lay the foundation of support for many of our management public policy initiatives.

“TAUC and its members can always be counted on to act when they are needed,” TAUC CEO Stephen Lindauer said. “We face many challenges in Congress today that require each one of our members to get involved.”

Worker misclassification abuse received particular attention at this year’s conference, and it is one issue that needs continued action on Capitol Hill.

“Worker misclassification can be devastating to contractors,” said Dewey Pearman, executive director of the Construction Advancement Foundation of Northwest Indiana in Portage. “There are many contractors who do not play by the same rules that we do, and they should not be rewarded by continuing to get government contracts.”

Two bills to watch are HR 3854, the Construction Quality Assurance Act sponsored by Rep. Paul Kanjorski (D-PA-11), and S. 2044, the Independent Contractor Proper Classification Act sponsored by Sen. Barack Obama (D-IL). Both pieces of legislation would tighten requirements of employers who hire independent contractors. These new requirements would make it more difficult for those seeking a loophole to misclassify workers.

Repeal of the 3 percent withholding tax was another focus of this year’s conference. The tax requires that federal, state and local governments withhold funds for goods and services as a safeguard against possible business tax evasion. “Contractors can’t be expected to foot the bill for the federal government’s need to close the tax gap,” Pearman said. “That’s why it’s important we press our legislators on Capitol Hill on this issue.” The 3 percent withholding tax that goes into effect in 2011 would be devastating to TAUC contractors, eating into their budgets and making it more difficult to run a jobsite.

This year’s conference was a success not only because of the turnout, but because TAUC and its industry allies have such strong support in Congress. “Members of Congress know TAUC for what we build in the community,” Hoover said. “It’s that work that helps us bring our message to Congress.”

To learn more about TAUC’s legislative activities, visit www.constructionalliance.org.
2008 Construction Industry Labor Conditions

BY ROBERT GASPEROW

THE INDUSTRIAL CONSTRUCTION market is currently in an expansion period. This is fostering a growing situation of additional work practices that increase labor costs beyond the contractual wage and fringe rate. As a result, traditional measures of labor costs and labor cost escalation are excluding a sometimes significant component of current labor costs. Documentation of this situation remains minimal.

To obtain a cleaner picture of the current marketplace, The Association of Union Constructors (TAUC) and the North American Contractors Association (NACA) requested the Construction Labor Research Council (CLRC) to gather information to identify the extent of cost increasing labor practices in the current market. CLRC has undertaken a survey of industrial contractors to obtain information on the extent of labor practices on their projects.

The survey’s objectives were:

• To quantify the extent that labor shortages exist.
• To assess the prevalence of measures being taken to deal with this situation.
• To measure the cost impact of these measures.

The survey examined modifications to work schedules and supplemental payments that are being made.

Responding contractors indicated that:

• Close to half are utilizing an extended work schedule.
• Almost two-thirds have experienced labor shortages.
• A variety of supplemental payments are being made to workers with no one more favored than another.
• There are craft differences in the steps being taken.

WORK SCHEDULE

Findings are that close to half of the contractors who responded to the survey have work schedules of more than 40 hours. When a longer schedule is in effect it is most likely to be five days a week 10 hours a day. Some schedules of 70 or more hours per week were reported.

Two-thirds of contractors reported working their crews five days a week. There were some working four or six days per week, but very few at seven. Most projects are working one shift and no three-shift operations were reported.

LABOR AVAILABILITY

Just over a third of contractors reported they have an ample supply of craft labor on their projects. Among the remainder, spot shortages outnumbered frequent shortages by a two-to-one margin. The crafts most likely to be experiencing shortages, in order of frequency, are boilermakers, pipefitters and ironworkers.

One means sited as a way of obtaining more workers is to employ travelers. The same three trades most likely to be experiencing shortages were also most likely to use travelers. The difference is that pipefitters most often included travelers over boilermakers.

Travel payments are being made to more than one-third of workers. Most often, all travelers receive these payments. There are also numerous instances in which all workers receive travel pay.

OTHER PAYMENTS

Also measured was the prevalence of paying subsistence, bonuses and above-scale wages. The frequency of these practices was as follows:

- Subsistence—31%
- Bonuses—22%
- Over Scale—29%

Patterns for payment varied. Subsistence most often went to all travelers, bonuses to all workers and over-scale wages to all workers in certain crafts. Payment of over-scale wages differed from all other payments as it was most likely to cover basic trades.

Robert Gasperow is the executive director of the Construction Labor Research Council (CLRC). To learn more about CLRC, visit www.clrcdata.org.

For more information on this study, visit www.tauc.org.

Michigan Drives Union Construction (MDUC)

TAUC’s Summer Safety-Labor Forum, entitled Michigan Drives Union Construction (MDUC), is taking place on July 9 in Detroit, Michigan at The Atheneum hotel in Greek Town. The agenda will include presentations on the Transportation Workers Identification Credentials (TWIC), which is highlighted on page 21 of this magazine, an update from the Occupational Safety and Health Administration (OSHA), and other pertinent information as it relates to safety and labor relations in the construction industry.

Make sure you register soon for this important event at www.tauc.org, as space is limited!
The North American Steel Construction Conference

BY MIKE DORSEY

THIS SPRING, TAUC exhibited at the American Institute of Steel Construction’s (AISC) North American Steel Construction Conference (NASCC), an educational event aimed at providing structural engineers, steel fabricators, erectors, and detailers with practical information on the latest design and construction techniques. This year’s attendance was a record for the event.

The conference offered an extensive trade show, featuring products and services ranging from fabrication machinery, galvanizing, and connection products to detailing and engineering software. It’s a once-a-year opportunity to learn the latest techniques, see the most innovative products, and network with contractor members and service providers to the industry. This year did not disappoint, said Ted Sheppard, one of TAUC’s liaisons to AISC, “The attendance was around 4,000, the program was excellent, it was a huge success!”

Two of the steel erection sessions were moderated by TAUC Governing Members: Dan Kilgore of Graycor Industrial Constructors, Inc., and Robert Goodpaster of Stevens Painton Corporation. “I felt that the conference was very rewarding, and I am looking forward to the 2009 conference in Phoenix next April” Sheppard said.

To learn more about AISC and the NASCC, visit www.aisc.org.

"The attendance was around 4,000, the program was excellent, it was a huge success!"

— Ted Sheppard
AS NEW PORTS begin the process of enrollment in the government’s long-awaited, long-debated Transportation Worker Identification Credential (TWIC) program—facilities in Anchorage and Juneau, Alaska; Portsmouth, New Hampshire; Freeport, La Porte and Galveston, Texas; Chattanooga, Tennessee; and Sandusky, Ohio are gearing up for registration—many questions about these new biometric ID cards still remain. For the diverse membership of TAUC, the biggest of all may be the simplest: Who’s footing the bill?

According to Frank Migliaccio, executive director of Safety and Health for the International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers in Washington, D.C., there are a few options out there for each local to debate.

“The first would be that the worker pays for it himself and gets reimbursed by the local,” he says. “The second is that they pay for it themselves and then get paid over their scale to work on these particular jobs. And in the third, the contractor would have it in their collective bargaining that they will assume the cost of the card and pay the $132.50 per person.”

At Migliaccio’s own local in the nation’s capital, where an abundance of facilities require some type of formal clearance, Option 2 has worked in the past. “We have in our collective bargaining that they will assume the cost of the card and pay the $132.50 per person.”

Even so, each local will have to make its own decision about which method is best for their membership. In October 2007, port workers in Wilmington, Delaware became the first to undergo TWIC certification, and so members of the Iron Workers Local #451—a group of more than 200 encompassing counties in Maryland, Pennsylvania, and Delaware—were pioneers on the TWIC issue.

“They put it on the floor for a vote,” says Migliaccio, “and their members decided that they would pay the $132.50 themselves and then be reimbursed by the local union.”

While questions over cost—and who ultimately assumes it—remain a fog that swirls around the TWIC issue, also pervasive are concerns over productivity and deadlines that seem at times to be unendingly elastic. (Wilmington’s October, 2007 rollout, for example, was initially scheduled for March.)

The plan, proposed following the attacks of September 11, has been plagued by setbacks. Initial estimates at the number of cards that would need to be issued have more than doubled in many cases (for example, one Gulf Coast port’s original estimate for 6,000 credentials was recalculated earlier this year to 60,000).

Disparities such as this have, not surprisingly, increased wait times significantly. Hearings to review the process have been held in an attempt to fix delays. An example was one in January led by Congressman Elijah E. Cummings (D-Md.), chairman of the House Subcommittee on Coast Guard and Maritime Transportation, who called upon the Coast Guard and Lockheed Martin (the company awarded the $70 million contract to create biometric card readers for TWIC facilities).

“When workers must pay to enroll in a program necessary for them to do their jobs and provide for their families,” Cummings said at the inquiry, “they have the right to expect reliable, efficient service with little-to-no interruption to their schedules.”

Migliaccio is hardly astonished. “It’s the government that basically put this all together and they didn’t think it out beforehand. It doesn’t shock me a bit—not with this administration, anyway. They don’t even have the card-readers in place.”

Although the September 2008 deadline remains for workers to have their credentials, the Transportation Security Administration Web site (www.tsa.gov) cites no regulatory requirements pertaining to the use of readers. Initial testing and evaluation of the readers, it states, are slated to “begin in calendar year 2008 as part of our pilot phase.”

For contractors, TWIC raises a number of concerns, as well.

“It will have an impact on us, obviously, because it could limit the number
of folks—and which of them—would be eligible to work at specific portions of our facilities,” says Thomas R. Hanson, general manager of Labor Relations for United States Steel Corporation in Pittsburgh, Pennsylvania. As for who’s paying, Hanson is practical.

“It will ultimately be the cost of doing business,” he says matter-of-factly. “I’m a user, an employer, who uses construction labor in our facility, and we know that cost is going to come back to us in some fashion. In most cases,” he predicts, “that will probably be the contractors paying for it. Part of the overall bid will end up including that in the increased cost and it will probably slow things down because of the logistics.”

U.S. Steel’s main facilities in Indiana, Pennsylvania, and Michigan are already headed down the road to TWIC compliance. “Depending on the location, we have anywhere from 200 to 400 employees and we’ve walked them through the process,” he says. “Most of them have done the pre-registration—and they’re telling us it’s roughly a five-week waiting period on getting the background checks done. And the cost of doing this, the cost of the initial card, we are bearing.”

Lost cards will be covered at the employee’s expense. “And renewal, five years down the road, would be [the employee’s] responsibility. But by then, who knows what will be in place? There could be some new legislation coming down the pike that could be even worse.”

Hanson broaches the talk of similar credentials soon being required for the chemical industry, one that could affect an even larger group of workers. “All I’m suggesting is that five years is a long way down the road and my guess is that things are going to change by then.”

The most important thing for now is getting clarification from the government on the actual rules of the game. At the end of the day, both Migliaccio and Hanson—and likely many more—wonder if the TWIC cards are going to make our ports any safer. “[The card is] supposed to have your photo and your fingerprint embedded into it,” says Migliaccio. “So that last part—without the [card] reader—it’s useless there.”

Hanson says the most important thing for now is getting clarification from the government on the actual rules of the game. “What areas are going to be TWIC-required? And how is the whole process going to work? This is all a big unknown at this point…. Once that clarification comes, we can really assess how it’s going to affect us from a business perspective. It may just be a one-time impact, but it will be an impact, regardless.”

For what it’s worth, Hanson says, “There is a partnership between labor and management. The dialogue is started. It’s too early to tell now where it’s going. It’s an arduous process. Only time will tell.”

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COLLECTIVELY BARGAINED WORKERS’ COMPENSATION PROGRAMS: ARE THEY WORTH THE EFFORT?

BY KEVIN GREGERSON

SINCE 1995, I have worked exclusively at the promotion, development and administration of collectively bargained workers’ compensation (CBWC) programs for the unionized construction industry. These programs typically share this mission: "Eliminate the adversarial culture of workers’ compensation claim administration; improve the delivery of wage-replacement benefits and the quality of medical care; return injured workers to their pre-injury job quickly; and reduce the costs of workers’ compensation insurance for union contractors, thereby increasing their competitiveness."

As I speak across the country about the success of the “Union Construction Workers’ Compensation Program,” www.ucwcp.com, a program I’ve administered in Minnesota on behalf of a labor-management trust since it began in 1997, audiences are often excited about a new way to handle workers’ compensation that does not reduce benefit levels to injured workers, yet does reduce the cost of workers’ compensation insurance for contractors.

However, after the excitement dies down, the questions begin. How long does it take to create a program? What are the development and ongoing operational costs? How much will contractors’ insurance costs go down? How do claims in a CBWC program compare against those in the state system?

The answers to the first two questions are more dependent on regional factors and relationships between the various building trades and their signatory contractors. Do they trust each other? Will the different trades work together to improve the entire industry? Are industry promotion funds available, etc.?

The answer to the next question—how much will contractors’ insurance costs go down—is unique to each contractor but simple to explain: If a contractors’ expected claim costs are less than the industry average, their experience modification rating will drop, which will reduce their overall premium costs. However, the reduction takes three years to occur.

The answer to the last question—comparative statistics for claims in a CBWC program against those in the statutory system—have only recently become available for Minnesota’s program. In October 2007, the Minnesota Department of Labor and Industry, Workers’ Compensation Division, compared claims and costs for CY 2003 and 2004 claim years. They matched workers’ compensation class codes used by contractors in both systems to attain the most accurate comparisons.

The regional representatives who would serve on the labor-management committee can only decide whether a CBWC program is “worth the effort.” Hopefully, the recent information on Minnesota’s experience helps in making that decision.

Kevin Gregerson was a presenter at the annual TAUC Leadership Conference, May 13-16, in Florida.

Comparative Statistics

Here is what the Minnesota Department of Labor and Industry, Workers’ Compensation Division found for Minnesota’s CBWC program, comparing 2003 to 2004:

- Twice as many injured workers returned to their pre-injury trade and employer;
- Vocational rehabilitation services (for the most seriously injured) were required half as frequently and were delivered at half the cost;
- Disputed claims rate was 60 percent lower;
- Indemnity (lost-time) claims rate was 18 percent lower;
- Medical costs per indemnity claim were 30 percent lower;
- Total benefit costs per indemnity claim were 43 percent lower.
INDUSTRY IN TURMOIL

HOW TO SET A NEW TONE

BY TED GARRISON

THE CONSTRUCTION INDUSTRY is probably in the midst of its greatest upheaval in history. Last year, FMI (management consultants and investment bankers to the construction industry) referred to it as the “Perfect Storm.” Every segment and every participant in the industry is being impacted by change.

Many of the changes result from adjustments outside the U.S. construction industry, giving the industry little control over them. For example, high worldwide demand for construction products such as steel, concrete, oil and oil-based products are experiencing price increases much faster than the average price index. More important to the labor movement is the impact of the worldwide labor shortage.

However, many of the challenges facing the construction industry are self-inflicted and can be addressed. For example, the industry needs to deal with the perception that construction is not a good career choice. While many of those judgments are based on inaccurate perceptions, it doesn’t matter. Instead of complaining about the misperceptions, the unions need to address those perceptions, as an insufficient number of workers would negatively impact them.

The industry and the unions need to tackle the labor issues head-on. This starts by asking some hard questions, such as what changes are needed to attract high-quality people into the industry? This is essential because demographics indicate all industries will struggle to attract enough workers. The construction industry’s only solution is to increase productivity, but that takes quality people. Mark Breslin’s column in this publication (see page 10) explains the need for developing supervision if the union contractor wants to expand its capacity, and I agree. This is critical because effective leadership is essential to retaining quality workers, but we also need to attract new workers.

While no short article can address all the issues, this article will touch on five critical recommendations for your consideration that set the tone for a new construction industry.

First, unions need to recognize that their downward spiral of membership over the past few decades indicates they’re not providing what the members or potential members want. As with any business, if you don’t provide what your clients want, the client votes with its feet and goes somewhere else. Therefore, unions must adapt to the new environment if they want to win the battle.

The idea that a union’s mission is to strengthen and grow the middle class by ensuring them a decent wage, a good job, affordable healthcare, job training and the chance to advance in life is certainly an admirable goal. The challenge is that as the times change, the approach to achieve that goal must change.

This brings me to my second point: Unions must realize that their client is the worker. My favorite definition of client is “someone under the protection of.” Therefore, all the union policies, rules, regulations, etc. should align 100 percent with the best interest of the worker, even when that may not seem to be in the short-term best interest of the union. This can be a tough pill for union leadership to swallow, but the truth is, this long-term perspective will actually make the union healthier.

The third point is that the unions need to realize that they need to have greater flexibility. For example, it’s possible that a 4-day, 10-hour workweek is a better model than the conventional 5-day, 8-hour model. Why? It would create a day to make up for rain-out days without working on weekends. Or it could create a three-day weekend, which is something the Y generation finds highly attractive. In essence, rigid work hours often are detrimental to the worker. Many workers would prefer to work outside the normal workday to make up time lost due to weather or maybe a doctor’s appointment, but because of forced overtime in those situations, the contractor refuses. No one wins in that situation. Instead, unions should agree to what works best for the worker.

Fourth, the unions must work with contractors and workers to increase productivity. This is really the best way to address two fundamental problems: a labor shortage and higher wages. Increased productivity decreases the need for workers, and
higher productivity makes higher wages possible. In reality, contractors and owners don’t care whether the workers are union or nonunion; when it’s all said and done, their issue is labor cost, which is a reflection of productivity.

Instead of attempting to protect jobs by forcing PLA agreements, unions would be better served to work with contractors to increase productivity and let the marketplace solve the problem. While PLA agreements may work as a short-term solution, they are often counterproductive because the Y generation dislikes confrontation and they see the battles between unions and merit contractors as another reason to avoid the industry.

Finally, the unions should offer services they can actually perform best for not only their client—the worker—but the industry as a whole (e.g., medical care and training). Virtually every study indicates that the number one concern of American workers is healthcare. Unless the construction industry can find a way to address the workers’ concerns in this area at an affordable cost for contractors, the industry will struggle to attract workers. A union policy for all workers might achieve some outstanding benefits, such as the ability of workers to maintain coverage as they move from one contractor to another or when they are between projects, and level the playing field for both small and large contractors. I certainly don’t need to reiterate Breslin’s comments on the benefits of training.

In conclusion, unions can thrive, not merely survive, but they must adapt to the demands of the 21st century. Unions are a business, and as with any business, they must focus on delivering maximum value to all stakeholders—in their case, the worker, the contractors, the owners and the union itself. The reason is very simple: if it’s not a win-win-win-win situation, then it is unstable and it will be a struggle to succeed. It’s not a matter of trying to defend past or even present practices; it’s about creating the best possible value for workers and contractors so both will be knocking down your doors for entry. In essence, create what the client wants!

Ted Garrison is the president of Garrison Associates. As a consultant, author and speaker he works with businesses in the construction industry to grow their business by improving profit margins and increasing productivity. He can be reached at 800-861-0874 or by e-mail at Growing@TedGarrison.com. For further information, visit www.StrategicPlanningforContractors.com.

**COMING EVENTS**

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Ted Garrison was a presenter at the annual TAUC Leadership Conference, May 13-16, in Florida.
NEW WORK TOOL ADDRESSES JOB OPPORTUNITIES

BY BEN CAHOON

THE NATIONAL MAINTENANCE Agreements (NMA), a highly successful project labor agreement, and The Association of Union Constructors (TAUC), whose mission is to enhance and advance the union construction industry, have teamed up to offer a new way to find additional NMA job opportunities and to locate qualified contractors for maintenance and repair work all across America.

NMAPC signatory contractors have indicated to us that they need a tool to get more work opportunities under the NMA, and owners have asked us to provide a mechanism for them to search for qualified contractors for their projects.

Because you asked, the NMAPC and TAUC have joined forces to create a powerful upgrade to the www.nmapc.org and www.tauc.org Web sites, which will use the “Company Profile” section to allow owners and construction managers to search for qualified contractors available for new work assignments.

This tool will be worthless unless contractors participate, and the first step to getting your company more job opportunities is to edit your company profile by logging onto the NMAPC or TAUC Web sites and clicking on the “Company Profile” link on the NMAPC site or the “Update Profile” link on the TAUC homepage.

Once 30 percent of NMAPC signatory contractors have completed this section, owners will be able to begin searching the WORK form for qualified contractors that meet the requirements of their projects.

To those in the owner community, this new demographic WORK form will be a powerful ally for those seeking qualified contractors for their projects. And for contractors who are hungry for more work, this is another tool to do just that! A paper version of the form will be also available upon request. For more information contact us at info@nampc.org or info@tauc.org or call us at (703) 841-9707 and mention you need information about the new WORK form!

Mechanics of Filling out the Form

STEP 1
“Edit Company” asks you for a description of your company, a primary e-mail to reach your company, or to add your company Web site;

STEP 2
“Address and Telephone” asks you to confirm your headquarter’s mailing address and phone/fax numbers and also allows you to add branch addresses;

STEP 3
“Company Demographic Information” is the most important section of the form! This page asks a number of questions vital to those seeking qualified contractors. Here, you will be asked several qualifying questions such as the type of work your company performs, the national and local agreements you are signatory to, as well as safety information and special certifications. This page is known as the Work Opportunity Reference Key or WORK form.
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