

BTEA Newsletter

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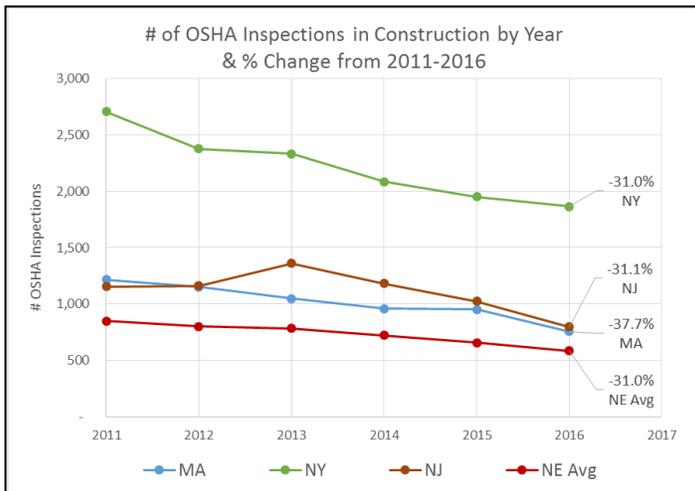
BTEA NEWSLETTER NO. 1

January 15, 2017

OSHA Inspections Down in 2016

Given the increasing focus on safety, you would expect OSHA had a busy year. However, continuing an ongoing trend, OSHA inspections dropped to the lowest level in 20 years. This marks the 4th consecutive year that inspections have fallen.

In the Northeast, inspections of construction contractors have fallen by more than 30% over the last 5 years from about 6,800 to about 4,700 total.



The graph above illustrates the Northeast average compared to the average with its three biggest states. These declines in the Northeast make up about a third of the overall decrease in construction inspections nationwide.

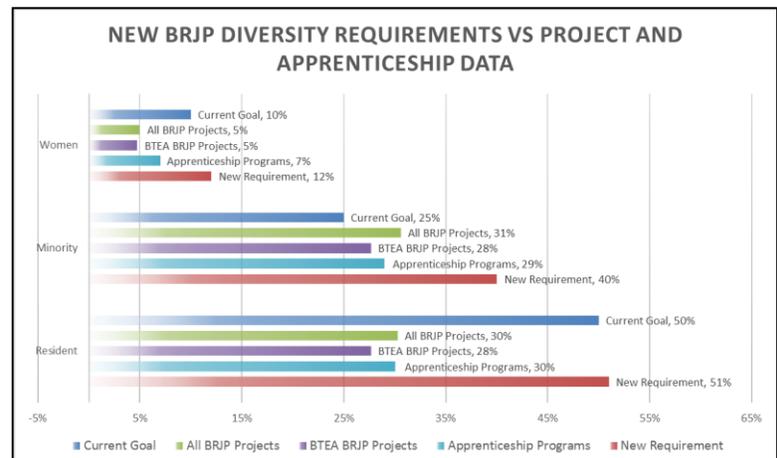
The OSHA budget peaked in 2012, but was down by about 3% in 2016. OSHA has cited budget cuts as causing the decrease in inspections. However they have found citations 5% more often than in 2015. In addition, appeals of OSHA citations were roughly equivalent in 2015 and 2016 at around 9%. BTEA recommends our members always work with our legal safety consultant before settling a case with OSHA.

Update on New Boston City Ordinances

The Boston Hot Work Safety Program is now in effect. Contractors are required to pull hot work permits for any work in the City of Boston that will use flames, produce sparks, or excessive heat. In addition, the individual pulling the permit and anyone working in the vicinity is required to have completed the Hot Work certification provided by their local union.

In addition, BTEA and some of our members recently met with Mayor Walsh to discuss the anticipated changes to the Boston Residents Job Policy (BRJP). The Mayor has proposed increasing the goals under the BRJP to 51% Boston residents, 40% people of color, and 12% women, respectively.

While contractors have struggled to meet the current requirements due to the composition of the construction workforce, there has been visible progress in all three categories over the years.



After hearing our concerns regarding the "good faith" efforts and the proposed penalty structure. Mayor Walsh assured us that the new rule is aspirational and meant to codify current procedures, rather than be interpreted as a more burdensome regulation.

Right-to-Work Likely to Pass in NH

Another effect of the Republican sweep of the 2016 campaign is that many states, like the nation, are completely controlled by Republicans. With this dominance, Republicans are taking advantage to push through long-held priorities. Chief among these is the so-called Right-to-Work legislation. Earlier this month, Kentucky became the 27th state to pass Right to Work legislation as HB-1.

New Hampshire hopes to be the next on that list. Newly elected Republican Gov. Chris Sununu is working with the State Legislature to fast track the passage of SB 11, the Right to Work Act. Modeled after the bill pushed by the conservative American Legislative Exchange Council (ALEC), SB 11 would allow employees in unionized companies to decline to join the union or pay dues as a condition of employment. It would apply to both the public and private sector leaving no exclusions or exceptions. At the time of writing this newsletter, hearings are taking place regarding SB 11, however it is expected to pass the committee, be approved by the state legislature and then signed into law.

There is debate over the impact of Right to Work legislation, but it is clear that the desired result is more businesses moving into New Hampshire to take advantage of low taxes and low labor costs. We reviewed economic literature to try and determine the effects of Right to Work (RTW).

1. **Union participation** – RTW decreases unionization by [“5 to 8 percent”](#)
2. **Free riding** – RTW states have rates [“6 to 10 percent higher”](#)
3. **Wages** – RTW effects on wages are [“small and likely slightly negative”](#)
4. **Employment** – RTW creates [“little change in overall employment”](#)
5. **Business Development** – RTW creates [“little or no gain in employment and real economic growth”](#)

In looking at this, we tried to exclude special interests and other parties with obvious biases. Based on the results, it would seem that the obvious conclusion is that RTW is not an economic development strategy, but is more likely a political strategy. Decreasing unionization weakens forces which have traditionally tended to be more liberal, challenging conservative business policies.

BTEA Training Schedules

BTEA makes every effort to provide high quality training for our contractors and their employees. On the [BTEA Homepage](#), you will find a list of upcoming training events like Hot Work and others. Here are some highlights:

January 19th – [DOT Webinar: Compliance Safety and Accountability](#)

January 25th – Project Management Seminar w/ Kevin Dougherty – [WAIT LIST ONLY](#)

February 9th – [Silica Awareness Webinar](#)

March 10th, 11th, 24th, & 25th – OSHA 30 Training

Safety Consultant on Workplace Violence

Contractor’s Risk Management (CRM) would like to warn you of the dangers of workplace violence. Every year, nearly 2 million Americans report being victims of workplace violence, with many other cases unreported. There are numerous risk factors, however once these factors are identified, the risk of assault can be prevented or minimized if employers take appropriate precautions.



One of the best protections employers can offer their workers is to establish a zero-tolerance policy toward workplace violence. This can be a separate workplace violence prevention program or can be incorporated into a safety and health program, employee handbook, or manual of standard operating procedures. It is critical to ensure that all workers know the policy and understand that all claims of workplace violence will be investigated and remedied promptly. In addition, OSHA encourages employers to develop additional methods as necessary to protect employees in high risk industries.

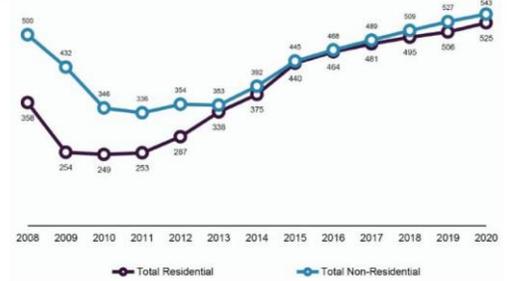
CRM is retained by the BTEA and our affiliated Associations to provide guidance on these and other safety issues. Contact the BTEA office to find out how CRM can help review your existing safety plans or mitigate other safety risk factors.

DID YOU KNOW ???

- **The BTEA is now offering webinar trainings** – We are holding our first Webinar on January 19th. It will feature Bruce Lawler of CRM speaking on Transportation Safety and how to improve your [Compliance Safety and Accountability BASICS](#). REGISTER NOW! Our next webinar is February 9th on [Silica Awareness](#) and how to address the new OSHA rule regarding silica exposure.

Construction Put in Place

billions of current dollars

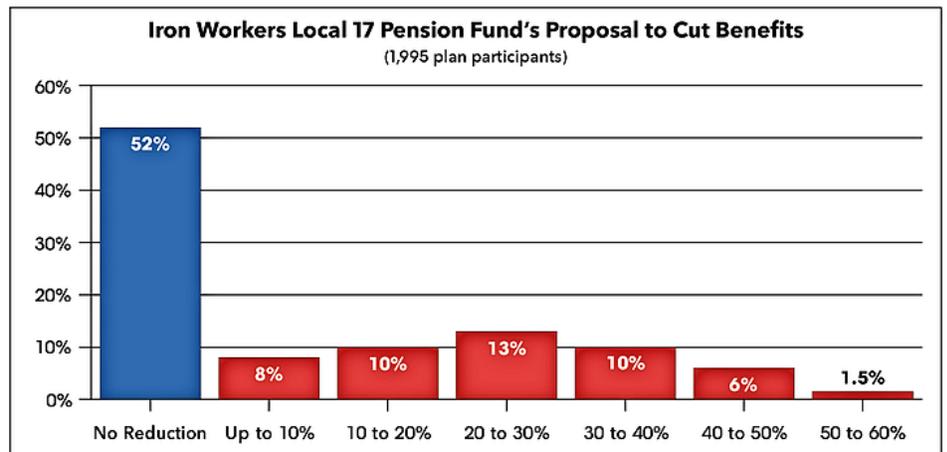


U.S. 3rd Quarter 2016 Forecast. Residential includes single-family, multifamily and additions, alterations and replacements. Non-Residential includes lodging, office, commercial, health care, educational, religious, public safety, amusement and recreation, transportation, communication and manufacturing.
Source: FMI Corporation, 2016 Construction Outlook, 3rd Quarter

- **Signs point to a moderation of construction market** – Experts are predicting continual growth in the construction industry, but are warning of the potential for a future slow-down or moderation of growth.

- **HISTORIC: Cleveland Iron Workers first Multiemployer Pension with Benefit Cuts approved by Treasury** – The cuts are part of a proposed rescue plan for the critical and declining pension program. Under the Multiemployer Pension Reform Act of 2014 (MPRA), trustees of significantly underfunded plans can apply to the Treasury Department to reduce participants' benefits if the plan is headed towards insolvency within 15 years and the trustees have exhausted other means of avoiding insolvency. When the application was filed, the plan had \$85 million in assets and \$225 million in liabilities making it 40% funded. It was projected to become insolvent by 2032.

This approval came after a string of similar applications were rejected, most notably Central States Pension Fund. The Treasury Department approval does not trigger immediate cuts, instead the plan must now be approved by the participants of the fund, which is likely to be an extremely contentious vote with a unique design. The vote will be conducted via a mail in ballot distributed to the 2,000 Iron Workers.



Source: Goldstein Gragel LLC.

a Bloomberg BNA graphic/pen70lg5

A majority of voters must actively reject the proposal, rather than approve it. The trustees of the plan deemed anyone failing to vote would be counted as approving the plan as presented. That has caught the attention of pension consumer advocates, one of which stated, "We are very concerned that the Local 17 pension plan trustees intentionally and cynically designed an application to divide and conquer." The division will come among retirees with the oldest retirees experiencing much smaller cuts than younger retirees. 52% of retirees, mostly the oldest face no cuts at all, while 18% of the younger retiree participants face 30%-60% cuts.

- **Changes to the Massachusetts State Building Codes are coming!** – With the recent enactment of energy and stretch code amendments, Massachusetts is poised to go from the 8th edition based on the 2012 International Energy Conservation Code (IECC) to the 9th edition based on the 2015 IECC. In 2017, all building permits and formal documents must comply with the new energy codes. The major changes are:
 - R-use buildings 4 stories or fewer shall comply with an approved energy rating index
 - Large buildings and high energy buildings must better ASHRAE 90.1 by 10%
- **BTEA is holding a [Construction Technology Seminar](#) on April 12th!** - Register now to learn about the latest in construction technology from Rob McKinney "The Construction App Guru". This seminar will focus on identifying the best technology for contractors to put in the field and also explore some of the most common challenges of implementation. Register Today!