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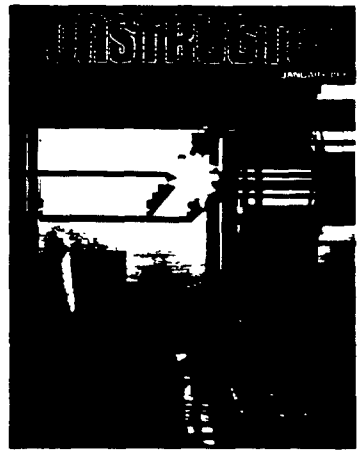

COVER: THE BIGGEST HOSPITAL system in the world is operated by the Veterans Administration. In 1975, the VA budgeted $400 million for construction. This month's cover shows the VA's new $70 million hospital at Loma Linda, California. The project is being built under separate contracts by two AGC contractors. The cover photo and the photo on page 36 are by Steven A. McLain of the VA hospital in Brentwood, California.

AGC RATES CONGRESS Our annual "report card" on Congress provides a vote by vote account of how the Senators and Congressmen have voted on issues of vital concern to the construction industry. 17

EARTHQUAKE PREDICTION...THE PROMISE AND THE PROBLEM Science will soon make it possible to forecast earthquakes. The practice could become as commonplace as weather predictions. The impact earthquake predictions could have on the public in general and the construction industry in particular is immense. Here's a status report on the situation and a look-see at the world to be. 25

THE BENEFITS OF AN INSURANCE CONSULTANT The complexity of the American economic system combined with the need to reduce in-house expenses has led to an ever-growing number of consultants in recent years. One of the newest areas is that of insurance and risk management. Unlike the insurance agent who depends on your premiums for his livelihood, the insurance consultant may be able to reduce your insurance costs. 31

CONSTRUCTION FORECAST '76 The new year will be one of those magical years when the value of all work placed exceeds the $100 billion mark. Well-known construction writer Ernie Mickel forecasts mostly good things for 1976. 33

VA'S USE OF CPM Considering that a hospital is perhaps the most complex structure man can build and then multiplying that consideration by 171 gives you some idea of the problems faced by the Veterans Administration construction program. Since 1969, the VA has made use of the Critical Path Method as a means of coping with some of the problems. 36

DEPARTMENTS

EDITORIAL 3
NEWS IN REVIEW 7
CAPITOL CLIPS 12
LABOR NOTES 15
CHAPTER NEWS 40
NEW PRODUCTS 44
1975 INDEX 50
MARKETPLACE 55
CALENDAR 57
YESTERYEAR 56

PLAINTIFF'S
EXHIBIT
B&R-160

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THE MANAGEMENT MAGAZINE FEBRUARY 1976 VOLUME LVIII NUMBER 2



COVER: PRESIDENT FORD'S exemplification of the qualities of Skill, Responsibility and Integrity in 1975 made him the unanimous choice of AGC's Executive Committee and CONSTRUCTOR Advisory Board as the first recipient of the AGC Distinguished Service Award. His leadership in matters affecting construction, his understanding of the industry's problems and his courageous veto of legislation to legalize secondary boycotts were all in the best interests of the American public. AGC President John N. Matich will present the Award to President Ford during AGC's 57th Annual Convention in March.

ACCOUNTING METHODS TAX ASPECTS Selection of the proper accounting method can lead to substantial tax savings. 20

TRAINING CURRICULUM DEVELOPMENT Here's a step by step account of how AGC's highly successful training programs were formulated 22

HOW TO PLAN YOUR ESTATE (PART ONE) The successful contractor has many opportunities. Above all, he has the opportunity to earn a substantial salary, to incur wealth, to incur large income and estate taxes – and the opportunity to have nothing left to show for his labor after these taxes are paid. Here's how to avoid such a fate through the art of proper estate planning. 24

BUYLINE – FINDING WHAT YOU NEED WHEN YOU NEED IT Virtually every contractor has, on occasion, made use of the Sweet's Files. Now Sweet's service has been augmented with the advent of an "800" number that lets your fingers do the finding. 26

BANKRUPTCY No one likes to contemplate it, but it certainly behooves any businessman to have an idea of what's in store when bankruptcy looms on the company's horizon. Here, from an accountant's point of view, is what transpires in the bankruptcy process 27

GOING BROKE WHILE MAKING MONEY THE CASH FLOW SQUEEZE Every year finds some contractors with a peculiar problem: money "on paper" but none "in the pocket." The culprit for such a calamity is almost always inefficient cash flow management. In this hypothetical article, based on real facts, two young contractors find their firm in just such a predicament. Being fictional, these men have an advantage over their real life peers: they can (and do) turn back the clock and correct their initial mistake. 29

DEPARTMENTS

PRESIDENT'S MESSAGE 5
NEWS IN REVIEW 7
YESTERYEAR 13
CAPITAL CLIPS 17
LABOR NOTES 15
CHAPTER NEWS 34
NEW PRODUCTS 37
CALENDAR 41
MARKETPLACE 41
AD INDEX 42

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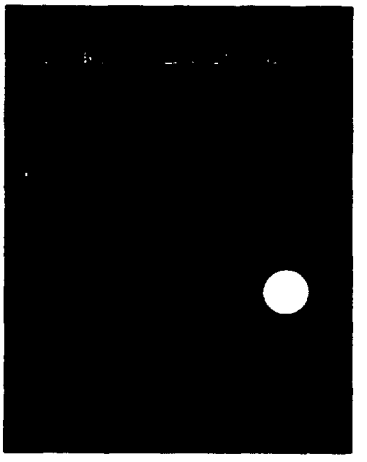

COVER: GENERAL CONTRACTORS BUILT America. Over the water where the patriots tossed the tea, there stands the Tobin Memorial Bridge. Underneath Boston's harbor are two traffic tunnels also built by a general contractor. If George Washington could have waited, a contractor would've made crossing the Delaware much easier. Some 160 years after the Revolution, contractors built Hoover Dam. We welcome you to AGC's 57th Annual Convention and we pay tribute to those of you throughout the land – still "Building America in the Spirit of '76."

Picture Credits: Pgs. 30-33 courtesy of the Smithsonian, pg. 43 Washington Area Convention and Visitors Bureau

CM LAUNCHES AEROSPACE MUSEUM The new Smithsonian National Air and Space Museum is not only a tribute to American aviation, but to Construction Management as well. 30

TIBER CREEK WASHINGTON'S FORSAKEN CANAL You wouldn't know it from the city's modern landscape, but once there was a beautiful creek through the middle of town. Now a stinking stream, what was Washington's canal is known primarily by contractors and other excavators. 34

WASHINGTON, BY GEORGE BY DAY . BY NIGHT Here's some tips on what to see and where to dine in the Nation's Capital 41

PROPER BLASTING PLANNING AND TECHNIQUES As every contractor knows, there's a lot of forethought to blasting. Here's an expert's advice on obtaining the best bang for the buck. 56

NATIONAL HEALTH INSURANCE. . A PERSPECTIVE FOR CONTRACTORS Congress has various plans afoot to deal with the national health care cost problem. Some of these plans could have a vast impact on contractors as employers and taxpayers. 60

HOW TO PLAN YOUR ESTATE (PART TWO) The successful contractor has the opportunity to acquire wealth, to incur large income and estate taxes and to have nothing left to show for his labor when all the taxes are paid. Proper estate planning is the way to avoid such a fate. 63

DEPARTMENTS

PRESIDENTS MESSAGE 13
NEWS IN REVIEW 20
CAPITAL CLIPS 25
LABOR NOTES 26
YESTERYEAR 28
CHAPTER NEWS 68
NEW PRODUCTS 82
AD INDEX 90
MARKETPLACE 93
CALENDAR 94

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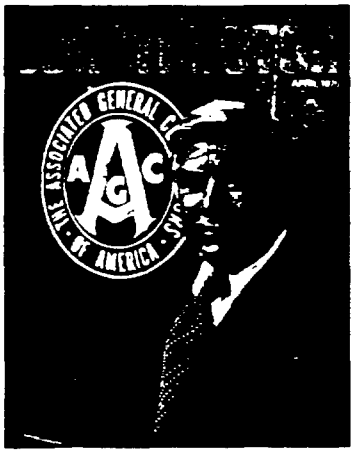

COVER: BEN M. HOGAN has pursued a construction career for 25 years working his way up from a mechanic's helper to today as head of his own firm and President of the AGC. In an exclusive interview this issue, Mr. Hogan reflects upon his life as a contractor and provides some insights into his plans at the helm of the AGC.

Picture Credits: Cover, pg. 16 by George Mikitzki, pg. 11, by Richard Bing

BEN M. HOGAN: A PRESIDENTIAL PORTRAIT. CONSTRUCTOR presents a candid conversation with the new President of AGC. 16

DANGER SIGNALS ON THE ROAD TO BANKRUPTCY. Everybody knows why the other guy goes broke. Too many contractors don't know they're on the road to ruin, until it's too late. There are signs that you're in trouble – just like the old Burma-Shave road signs. But what a contractor really needs is a DEW Line to keep him off the road in the first place. 19

LASERS AS CONSTRUCTION TOOLS – A GROWING TREND. When lasers were first invented, some wags said that the instruments were solutions looking for problems. Lasers have found a home in the construction field and are providing solutions to many complex problems. 21

AN ASSESSMENT OF OSHA. Five years ago, general contractors greeted the enactment of the Occupational Safety and Health Act with a great deal of apprehension. Many were picturing themselves in jail for failure to provide the proper type of toilet seat. Things haven't been as bad as they might have been, but there's still plenty of room for improvement. 26

FUNDAMENTAL WAYS TO ASSURE LONG WIRE ROPE LIFE. Here are some ways to obtain maximum service life from wire ropes used with construction equipment. Putting these ways into practice will increase efficiency and enhance safety. 30

CONSTRUCTION NEGOTIATIONS CIRCA 1976. The CCE President surveys the new bargaining season. 32

DEPARTMENTS

NEWS IN REVIEW 6
LABOR NOTES 13
CAPITAL CLIPS 14
CHAPTER NEWS 34
NEW PRODUCTS 36
CALENDAR 41
MARKETPLACE 41
AD INDEX 42

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COVER: THE US ARMY CORPS of Engineers – for generations the object of public esteem – is now caught in the middle of controversies not of its own making. Times have changed and no one knows that better than Lieutenant General William C. Gribble, Jr., the Army Chief of Engineers. As always, the proverbial buck stops at the desk marked "Chief."

Picture Credits: Cover by Richard Bing, pg. 18 by G. Richard Booth.

GENERAL WILLIAM C. GRIBBLE. . .A MAN OF MANY MISSIONS In an exclusive interview, the Army Chief of Engineers takes stock of the Corps of Engineers and the challenges which confront it. Billions of dollars worth of construction at home and abroad present problems with which the Corps can cope. Being caught in the middle of national policy debates and serving as a focal point for critics from all sides is a role that the Corps most certainly does not relish. 18

THE OPERATIONAL PROBLEMS OF MARKET EXPANSION When a contractor seeks work in a new geographic area, he is likely to face many pitfalls. If not anticipated at the pre-bid stage, problem areas can cause potential profits to evaporate – leaving the contractor saddled with substantial losses. 22

MARKETING THE CONSTRUCTION FIRM Competitive bidding is the mold which has shaped the marketing practices of most contractors. With an ever-increasing number of projects being let by means of negotiated contracts, design-build agreements and construction management contracts, it may be time for many contractors to re-evaluate, expand and redirect marketing efforts. 24

EXECUTIVE COMPENSATION WAYS AND MEANS Money alone will not guarantee that you will be able to count on faithful and on-going service from your key employees. Today it is necessary to develop a compensation package which may encompass a variety of items. Such items are not only of immediate interest to the employer and employee, but to the Internal Revenue Service as well. 27

DEPARTMENTS

PRESIDENT'S MESSAGE 7
NEWS IN REVIEW 11
LABOR NOTES 17
CAPITOL CLIPS 33
YESTERYEAR 42
CHAPTER NEWS 35
NEW PRODUCTS 38
AD INDEX 43
CALENDAR 46
MARKETPLACE 46

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COVER: REAR ADMIRAL A. R. MARSCHALL is Chief of the Navy Civil Engineer Corps and Commander of the Naval Facilities Engineering Command (NAVFAC). While the Seabees have received their due share of public exposure, not enough has been written about the parent organization which Rear Admiral Marschall fondly refers to as "the Avis of military construction."

Picture Credits: Cover, pg. 16 by G. Richard Booth

AT THE NAVFAC HELM, REAR ADMIRAL A. R. MARSCHALL In this exclusive interview, the Commanding Officer of the Naval Facilities Engineering Command discusses a broad range of subjects from construction methods to multi-million dollar projects 16

CPM ORIENTED PROJECT CONTROL A former construction company vice president turned management consultant provides some basic "nuts and bolts" insights into the Critical Path Method. 20

CONSTRUCTION MARKETING, PLANNING, PRICING, PLACING Marketing is the planning, pricing, promoting (or selling), and placing of a product or service. This article focuses on three of the most critical elements of marketing. 25

IMPROVING YOUR FINANCIAL REPORTING & FORECASTING Here are some examples of the financial information you as a general contractor can provide to your underwriters and bankers in your future operations. 27

DEPARTMENTS

PRESIDENT'S MESSAGE 5
NEWS IN REVIEW 7
DOLLARS & SENSE 11
LABOR NOTES 12
LABOR TRENDS 13
CAPITOL CLIPS 32
CHAPTER NEWS 33
NEW PRODUCTS 35
MARKETPLACE 41
AD INDEX 42

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COVER: PRESIDENT WASHINGTON, dressed in a Mason's apron handsewn by Madame de LaFayette, laid the cornerstone for the US Capitol on September 18, 1793. Two years earlier, Pierre Charles L'Enfant had proclaimed Jenkins' Hill as "a pedestal waiting for a superstructure." A contest for plans was held and the winner was an amateur architect, Dr. William Thornton. That fact haunted every professional architect who worked on the project; none ever left it happily.

Since 1900, the appearance of the Capitol has changed little. It is today — as it was envisioned 183 years ago — the symbol of our democracy. It evolved not as the product of one man's determination, but as a composite dream of many.

Our cover is from the Anacostia Lodge No. 21, courtesy of the US Capitol Historical Society, photographed by the National Geographic Society. Reconstruction of the Capitol's East Front in 1959 found that there was no brick as this artist's conception shows.

directory 1976-1977

THE BUILDING OF THE UNITED STATES CAPITOL	44
AGC FORMS AND PUBLICATIONS	75
MEMBERS, BY STATE, CHAPTER	77
CHAPTERS, BRANCHES, BY STATE	78
MEMBERS, ALPHABETICALLY	287
ADVERTISERS' INDEX	335

DEPARTMENTS

INSURANCE 2
LEGAL MATTERS 3
PRESIDENT'S MESSAGE 9
NEWS IN REVIEW 15
DOLLARS & SENSE 18
CAPITOL CLIPS 23
LABOR NOTES 26
LABOR TRENDS 36
CALENDAR 42
CHAPTER NEWS 58
NEW PRODUCTS 64

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COVER: CONSTRUCTION MANAGEMENT as practiced by Huber Hunt & Nichols Inc. (AGC) produced a new corporate home for the USF&G Companies In this issue, we provide a short CM review and a preview of the forthcoming CM Conference Our cover photo is courtesy of Huber, Hunt & Nichols Inc and Warren Friedman of Tecton Media Inc Mr Friedman s company produced a corporate brochure for the construction firm using this photo In this issue, he discusses the whys as well as the ways and means of publishing such brochures

50 YEARS OF CONSTRUCTION LAW: PROGRESS IN THE QUAGMIRE? A few changes have occurred in the past half-century, but these might just barely be described as trends. Calendar delays, judges unfamiliar with the field and overly complicated procedures have aggravated the difficulties inherent in the legal system. 19

CM PERSPECTIVE AND PREVIEW Here's a brief recap of CM's history and a preview of what's in store for Minneapolis. 23

THE DIFFERING SITE (CHANGED) CONDITIONS CLAUSE While this clause is one of the most significant to be found in any construction contract, it is not a panacea for all the unanticipated. 24

WOULD YOU SEEK A COURT SETTLEMENT? A former construction firm official cites two celebrated construction contract disputes and their subsequent settlements. The two instances may be the exceptions which prove the contrary. 28

YOUR IMAGE MAKER — THE CORPORATE BROCHURE A firm's brochure self-destructs 60 seconds after a prospective client picks it up. If your brochure doesn't have instant impact, your cause is lost Here's expert advice on what to do 31

CLAIMS CONSCIOUSNESS VS LOSS MOTIVATION The loss motivated contractor does not know his rights, does nothing to protect them and has no real idea of what the construction contract says. The claims conscious contractor does all he can to educate himself and all concerned Court is the last resort, attorneys are usually the only ones who make any money from a lawsuit. 34

DEPARTMENTS

PRESIDENT'S MESSAGE 5
NEWS IN REVIEW 9
CAPITOL CLIPS 12
DOLLARS & SENSE 13
LEGAL MATTERS 15
LABOR NOTES 16
LABOR TRENDS 17
CHAPTER NEWS 41
NEW PRODUCTS 43
INSURANCE 47
CALENDAR 48
AD INDEX 49
MARKETPLACE 50

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THE MANAGEMENT MAGAZINE SEPTEMBER 1976 VOLUME LVIII NUMBER 9

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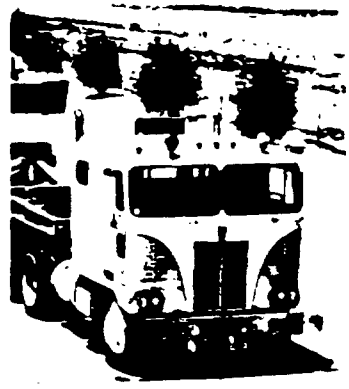

COVER: TRUCKS ARE THE workhorses of construction from the big brutes such as found on this month's cover to little 1/4-ton pickups. Those other four-wheel vehicles – automobiles – are enjoying new found popularity among many service-oriented businesses including general contractors. In this issue we take an in-depth look at auto/truck leasing and auto fleet purchasing. Our cover is courtesy of WABCO.

Picture Credits: Pg. 28, Reed/Kaina Advertising, Inc.

PEARL TWO: THE HAWAIIAN UNDOMINIUM. Superior performance by the general contractor delivered this beautiful structure 6-1/2 months ahead of schedule and earned a Build America Award. 28

TAX ASPECTS OF CHANGING ACCOUNTING METHODS. There are any number of reasons for changing the accounting methods, but deferral of income taxes is one of the most common. Great care must be exercised in choosing alternatives. 32

TRUE IMAGE OF THE AMERICAN APPRENTICE. Survey results dispel the many myths and misconceptions surrounding the apprentice. 34

MISSING MACHINES MAKE THE "RED LIST". Here's the inside story on Caterpillar's personal involvement in the war against equipment thieves. 36

LEASING COULD BE YOUR BEST BUY. An ever-increasing number of firms are choosing to lease rather than buy their cars and trucks. Leasing can be the most efficient way to keep the company moving, but there are several things you should know. 38

AUTO FLEET PURCHASING: SECRETS OF SMOOTH SAILING. For all the advantages auto leasing offers, outright ownership is still a viable alternative. Informed, intelligent and thorough forethought is essential to wise fleet buying. If you're in the market for 10 or more cars, here's some food for thought. 40

DEPARTMENTS

PRESIDENT'S MESSAGE 5
NEWS IN REVIEW 7
DOLLARS & SENSE 16
LEGAL MATTERS 21
LABOR NOTES 23
LABOR TRENDS 24
CAPITOL CLIPS 46
INSURANCE 48
NEW PRODUCTS 51
CHAPTER NEWS 60
AD INDEX 67
CALENDAR 68

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COVER: ELECTION DAY IS NOVEMBER 2. In this issue, we present an exclusive interview with President Ford and Jimmy Carter. In their own words, the two Presidential candidates discuss such important issues as worker's compensation, the Highway Trust Fund, repeal of Section 14(b), and common situs picketing. Also in this issue are the results of a survey of the Congressional candidates and their views on repeal of Section 14(b) and common situs picketing.

Picture Credits Photos of President Ford on the cover and in the article are courtesy of the President Ford Committee. The cover photo and all but one of the story photos of Jimmy Carter are by Stan Jennings. The photo of Mr. Carter on page 25 (top) is courtesy of the Carter — Mondale Presidential Campaign Committee.

THE CASE FOR ABOLISHING SBA SECTION 8(a) AGC is a lifetime advocate of the open, competitive bid system for awarding construction contracts and is a long-time foe of the Section 8(a) concept of sole source negotiation. A recent contract for resurfacing the Baltimore-Washington Parkway was let under both methods and it serves well to illustrate the deficiencies of the 8(a) program and underscores the argument for dismantling the program. 14

A201 THE 13TH VERSION The newest edition of the document officially known as the "General Conditions of Contract for Construction" AIA Document A201 is now available. Here is a point by point analysis of what the new A201 entails. 18

KEY CONSTRUCTION ISSUES: THE VIEWS OF PRESIDENT FORD AND JIMMY CARTER The Republican and Democratic Presidential candidates discuss nine crucial construction issues: worker's compensation, power plant construction, construction site violence, preservation of Section 14(b), common situs picketing, government involvement in private enterprise, the Highway Trust Fund, ways to solve the nation's transportation problems, and the relationship each as President would like to have with the managerial level of the construction industry. 21

KEY CONSTRUCTION ISSUES: THE VIEWS OF CONGRESSIONAL CANDIDATES Here are the results of a survey of this year's Congressional candidates on two vital construction industry questions. 26

DEPARTMENTS

PRESIDENT'S MESSAGE 5
NEWS IN REVIEW 9
INSURANCE 12
DOLLARS & SENSE 33
LEGAL MATTERS 34
LABOR NOTES 36
LABOR TRENDS 38
CHAPTER NEWS 40
NEW PRODUCTS 42
CAPITAL CLIPS 47
CLASSIFIED 49
AD INDEX 50

constructor

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COVER: HOME FOR THE TRIDENT submarines will be the TRIDENT Refit Delta at Bangor, Washington. More than twice the size of the POLARIS/POSEIDON submarines, the TRIDENT submarines will nestle in a dry dock located on the inboard leg of the triangle. Each leg is about the size of two football fields. Full details on the Refit Delta and other aspects of the massive TRIDENT project are in this issue.

Picture Credits: Our cover and the TRIDENT article photos are courtesy of the Naval Facilities Engineering Command, OICC TRIDENT.

TRIDENT: CONCEPT MEETS REALITY The Naval Facilities Engineering Command (NAVFAC) is building a $700 million base to provide a home port for the TRIDENT submarines. Work is currently being placed at a rate of $9 million per month, with a workforce of 1250. By this time next year, the pace will quicken to $18 million per month with 2200 workmen. 18

MANAGEMENT'S ROLE IN APPRENTICESHIP TRAINING The nature of the construction industry makes the training effort perhaps more difficult than the same task in other industries. This industry must fill imprecise needs through its own devices. Labor and management must work in tandem for the good of the apprentices and the industry. 24

JOHN LAING: AN R&D SUCCESS STORY Research and Development (R&D) is an undeveloped opportunity for most US general contractors. Britain's second largest general contractor – John Laing and Sons – manages a $1.6 million R&D operation that more than pays for itself. Maybe there's something to learn from our British cousins. 26

EEO STATUS REPORT Equal Employment Opportunity in the construction industry has taken some important new directions. Here's an update on the situation, what AGC is doing, and what you as a general contractor should be doing. 29

DEPARTMENTS

PRESIDENT'S MESSAGE 7
NEWS IN REVIEW 8
LEGAL MATTERS 13
LABOR NOTES 15
LABOR TRENDS 16
DOLLARS & SENSE 32
INSURANCE 34
CAPITAL CLIPS 37
CHAPTER NEWS 38
NEW PRODUCTS 40
AD INDEX 47

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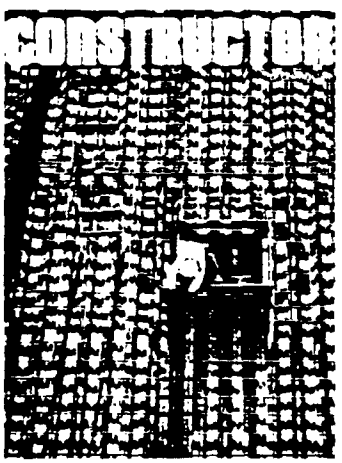

COVER: FOR LITTLE MORE THAN four years, the Veterans Administration has made use of the VE incentive clause in all construction contracts of $500,000 or more. The contractors' share of the savings so far totals more than $440,000. Our cover photo is by Steven A. McLain of the VA hospital in Brentwood, California.

VA USE OF VE The Veterans Administration is a novice in the use of an incentive clause. Since 1972, the VA has received 23 VECPs and approved 13. 14

THE IMPORTANCE OF PROPER DAILY REPORTS If you go into court or to the negotiating table with only a "story," you are probably going to lose. Your daily reports, done properly, are vital to your success in claims disputes. The only thing worse than insufficient, incomplete records, are those done so as to provide lethal ammunition for the oppposition. 16

GEORGE WASHINGTON'S MONUMENT America has always paid tribute to her heroes in one form or another. The desire for a memorial to the nation's founding father took many curious turns before the end result. It was 100 years in the building and for all its beauty, the monument is not the ultimate tribute to George Washington. 18

1977: THE YEAR FOR MARTA The new year will be the peak construction year for the largest public works project in the Southeast. The Metropolitan Atlanta Rapid Transit Authority's (MARTA) new rail transit and busway system will cost over $2 billion and provide work for an estimated 100 prime contractors. 26

DEPARTMENTS

PRESIDENT'S MESSAGE 5
NEWS IN REVIEW 9
LABOR NOTES 12
LABOR TRENDS 13
INSURANCE 29
LEGAL MATTERS 30
DOLLARS & SENSE 31
REGIONAL NEWS 36
CAPITAL CLIPS 37
NEW PRODUCTS 38
MARKETPLACE 41
ADVERTISERS INDEX 42
CLASSIFIED 42

after five years
an assessment of osha

"When the Occupational Safety and Health Act [OSHA] was passed . . . it was generally looked upon as one of the most significant pieces of legislation ever enacted . . . . I wish that I could tell you that it has abruptly reduced injuries and fatalities, but I cannot. . . . But OSHA has resulted in some benefits."

By John A. Woodhall, Jr.

When the Occupational Safety and Health Act (OSHA) was passed by Congress in December 1970, it was generally looked upon as one of the most significant and far-reaching pieces of legislation ever enacted in our nation. Its specifically stated purpose was ". . . to assure so far as possible every working man and woman in the nation safe and healthful working conditions and to preserve our human resources."

Since the new law contained the requirement that emergency temporary standards be placed in effect one hundred twenty days later, OSHA abruptly joined the group of topics with which construction management is concerned.

A Quick Priority

It shortly became known that violations of the then almost incomprehensible standards could result in not only the levy of civil charges against a firm but also criminal punishment, including jail terms, against executives. As a result, the Act quickly became a top priority subject and a matter of considerable apprehension.

Now we have lived with OSHA through five construction seasons. With the perspective of both time and experience, it is appropriate that we make a current review in order to separate fact from fiction.

Perhaps it will be helpful if we briefly review some of the events that preceded this legislation.

AGC has always strongly supported safety. In the late 1960s, far from opposing federal safety legislation, we were suggesting what it ought to contain.

As an association, we contributed significantly to the Construction Safety Act of 1968. This law affected only construction operations utilizing federal funds. Although this Act incorporated a consensus standard, it was intended that it be developed in a deliberate and studious manner.

Drawing fragments of its content from many and various sources, a package of construction safety standards was virtually tossed together like a salad. This rudimentary consensus standard was taken around the country in a road show which utilized a number of hearings during which interested parties could offer constructive criticism. The surviving material was to be edited, recompiled and reassembled, perhaps with another road show repeat, before being considered a final document. This series of hearings continued through mid-1970 with AGC contributing heavily to the testimony.

What happened next explains much of our current standards problems.

With the final approving Senate vote on OSHA on December 28, 1970, the clock started counting off the one-hundred-twenty-day period in which the acquisition of a set of emergency temporary standards was mandatory. The Department of Labor was thereby confronted with a major problem.

Only One Choice

It was impossible for them to institute a program of development within the time allowed. As an availability of an existing package of comprehensive nature, there was only one choice . . . to take the package of raw material that was thrown together for the road show, without further refinement, and put it into print.

As a result, on April 28, 1971, we started with a crippled and distorted set of standards and this has been a problem, to a degree, ever since.

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[illegible], there arose a great hue and cry from construction management. There were those of us who were half-convinced that we were going to spend time in jail because of either the presence of ice in drinking water or solid instead of open front toilet seats.

In that needless concern, we overlooked two things — first, the ability of AGC to identify and effectively report to OSHA those impractical and unworkable standards and, second, the receptive and cooperative attitude of OSHA officials in working with us to resolve these problems.

We no longer retain our original and unnecessary concern that the standards would be arbitrarily applied. We have found that a firm with a sincere, demonstrated interest in providing safe and healthful working conditions will be fairly treated in the event of a technical or minor violation.

We have also learned that we have the ability to bring about the modification or termination of an impractical or unnecessary standard when we set our hand to it in a firm and deliberate manner. For examples, I cite AGC's success in accomplishing cancellation of Load Indicating Device (LID) requirements, modification of Roll-Over Protection System (ROPS) retrofit requirements, deletion of fender standards and the suspension of the use of Ground Fault Circuit Interrupters (GFCIs).

In the process of working toward such favorable modifications, we have been pleased to discover that our counterparts on the OSHA staff in the Department of Labor are dedicated and reasonable men. Our communications and joint efforts have been productive and mutually rewarding.

"We have been pleased to discover that our counterparts on the OSHA staff ...are dedicated and reasonable men."

However, despite our sound relationship and effective line of communication with OSHA and even while looking back on success such as I have just mentioned, a number of facets of the Occupational Safety and Health Act still give us cause for concern. Some of these are what we might consider defects in the Act itself and others are those which relate to its interpretation and enforcement. In one specific instance, the result may even be counter-productive to construction safety. Let me describe a few of these elements.

The Negative Effect

At the onset of the Act, many construction firms had existing accident prevention programs and for some time had been working toward providing, "...safe and healthful working conditions...." However, almost all had to scramble to approach technical compliance.

The crash program for standards compliance which resulted, leads me to point out what I consider to be the greatest negative effect of OSHA. Under the threat of both civil and criminal punishment, it highly motivates us to accomplish technical compliance with the standards. We can then become so preoccupied with posters, reports, warning sign colors and urinal ratios that we forget our safety fundamentals.

Since the great majority of personal injuries result from unsafe acts, not unsafe conditions, it is especially unfortunate that our preoccupation remedies the latter, not the former.

I strongly suspect that we, as an industry, have been giving about 90 percent of our attention to hardware compliance and only 10 percent to human aspects. I am convinced that, if we can reverse those percentages we will accomplish much more.

A current project of AGC's Safety and Health and Safety Engineer's Advisory Committees is a study of the human factor and its effect on construction safety. Although this activity will not diminish our attention to any of the other elements of accident prevention, we hope that it will target our attention and accomplishments on the major cause of unwanted occurrences.

There are a number of things relating to the standards, themselves, which trouble us.

First of all, we dislike the application of two standards (1910 and 1926) to our industry. We are forcefully on record with our objection and have been repeatedly assured by the Department of Labor that progress toward a single standard is being made.

Also, there remain varying degrees of difficulty in obtaining copies of some of the referenced standards. It is less than fair to require us to comply with those which are not readily available. Although AGC has done an outstanding job of printing and distributing copies of 1926 standards to our industry, we are not similarly blessed with the availability of the 1910 standards nor some of the more obscure documents referenced. There are even cases where the document containing a referenced standard merely alludes to a third source. There should be one source for all standards with assured availability.

As an industry, we are highly concerned about the growing divergence among the standards and interpretations which are developing not only between agencies of the federal government, but also between OSHA and the state-administered plans. This concern extends to the lack of uniformity between certain state-plan states, themselves. The cost, confusion and operating disadvantages to firms

"We can...become so preoccupied with posters, reports, warning sign colors and urinal ratios that we forget our safety fundamentals."

carrying on operations subject to multiple jurisdictions are obvious.

Incidentally, the National AGC has never taken an official position regarding either approval or disapproval of state plans. The association has maintained that this is a matter for local determination, since the factors are unique from state to state. Presently, 22 states are operating their own federally-approved plan and 28 states and the District of Columbia are subject to OSHA jurisdiction. These figures include the Virginia state plan for which rejection proceedings have commenced and are being held in abeyance. Although OSHA, by law, encourages state plans there are obvious differences of opinion as to their value.

Recently, several states have terminated their own plans and placed themselves back in federal jurisdiction. Although this might imply a degree of dissatisfaction, investigation indicates that the change has been primarily motivated by financial considerations since, in terminating the plan, states have shifted the entire financial responsibility back to the federal government.

As to problems pertaining to interpretation, we continue to be bewildered by the inconsistency of court rulings which result in a lack of uniform enforcement of the OSHA standards between geographic areas. As an example, let me point to the differences which exist among the various court decisions regarding the relative responsibilities of a general contractor and his subcontractors.

In addition, we are concerned about OSHA's current definition of a repeat violation. We consider that their extension of the geographic area in which a "repeat" can occur beyond an identifiable project site and the lack of any "statute of limitations" after which a reoccurrence will not be counted, to be an unjust and discriminatory treatment of our industry.

Parade of Proposals

A number of our concerns and criticisms are directed toward legislative aspects. These lie mostly within the original law but also include the continuous parade of proposed amendments.

As to the basic Act, we consider it unjust for an employer to be penalized as the result of an act by one of his employees when that person has intentionally violated both the law and his employer's policies.

We are also disturbed by another part of the law. Although we have not ever questioned either the credentials or qualifications of any member of the OSHA Review Commission on a philosophical basis, we challenge the provision that causes them to be selected by the same cabinet officer — the Secretary of Labor — who appoints enforcement personnel.

We do review all proposed federal legislation which relates to OSHA. With AGC's Legislative Committee we take action in support of those bills which we consider will enhance OSHA's effectiveness and oppose those which we believe will not.

Typical of our progress has been the advancement of legislation allowing OSHA to provide consultative services. We consider that our testimony in Congressional hearings in 1975 was instrumental in the passage by the House of H.R.8618. Currently, this legislation is bogged down in the Senate. AGC, together with other trade associations, is working to free this the first OSHA reform which has possibilities for passage.

One of our longest running [illegible] has been to successfully [illegible] passage of any one of a number [illegible] various bills incorporating [illegible] sions which we have referred [illegible] the "numbers game." Each of [illegible] bills contained a formula [illegible] would have excluded some group [illegible] firms from the application of OSHA.

At first glance, this appeared [illegible] be a blessing to those compa[illegible] but, as we looked below the [illegible] effect, we saw that it would be [illegible] harmful to them. Under these [illegible] sions, many of the excluded [illegible] were small specialty subcontr[illegible] tors. Under the terms of [illegible] proposed acts, although the gen[illegible] contractor would have to [illegible] with the standards, the subcontr[illegible] tor would not. This would [illegible] employees of the general contr[illegible] to be exposed to violations of [illegible] subcontractor. In view of the [illegible] tial risks of this exposure, [illegible] prudent general contractor [illegible] be compelled to perform all [illegible] with his own forces. As a result [illegible] demand for the subcontrac[illegible] services would diminish and [illegible] would find that the apparent [illegible] of exclusion from the Act had [illegible] barred them from the opportun[illegible] continue their business operation[illegible]

In addition, our opposition [illegible] "numbers game" has resulted [illegible] our policy position that all [illegible] men, regardless of employer [illegible] are entitled to equal protec[illegible] under the law.

Because of its nature, importa[illegible] and far-reaching effect, the Occupational Safety and Health Act [illegible] be the continuing subject of [illegible]

"Since the great majority of personal injuries result from unsafe acts, not unsafe conditions, it is especially unfortunate that our preoccupation remedies the latter, not the former."

"There are even cases where the document containing a referenced standard merely alludes to a third source. There should be one source for all standards with assured availability."

"One [illegible] OSHA [illegible] fully br[illegible] attentio[illegible] concer[illegible] mor[illegible] wor[illegible] befo[illegible] for a[illegible] a basic

[illegible]

"One positive result of OSHA has been to forcefully bring our industry's attention to its own safety concerns. . . . Now many more construction workmen than ever before are working for an employer with a basic safety program."

tion from Congress. You may be assured that the National AGC, along with its appropriate committees, will continue to closely monitor developments and contribute to the law's evolution.

Do you now ask what good things OSHA has brought forth?

I wish that I could tell you that it has abruptly reduced injuries and fatalities, but I cannot. Bureau of Labor Statistics reports comparing the years 1972 through 1974 do not demonstrate any significant trends. Further, our own Disabling Injury Tabulation figures for the period 1972 through 1974 do not indicate any major shift. The 1975 Disabling Injury Tabulation figures indicate a marked improvement; however, it is too early to assume the establishment of a favorable downward trend.

But OSHA has resulted in some benefits.

One positive result of OSHA has been to forcefully bring our industry's attention to its own safety concerns. Many construction firms have done a good safety job for years. Some have done a great job, but too many had done little or nothing before 1970. Now, many more construction workmen than ever before are working for an employer with a basic safety program.

Also, OSHA's presence and character have prompted AGC and others to enter into a search to develop information on what does — and what does not — contribute to safety. Typical of these activities are our own Load Indicating Device (LID), Roll-Over Protection System (ROPS) and Human Factor Studies.

In addition, although AGC has always been a leader in developing and providing safety materials, OSHA's existence has added new incentive and encouraged creation of our "Voluntary Guide to Compliance," production of the AGC "Zero-Accident Audiovisual Series" and issuance of our "Safety and Health Regulations for Construction."

Further, it has prompted the development of such manuals as our "Guide to Toxic Substances for the Construction Industry," currently underway.

As a special bonus and partially because of this new momentum, we, as an association, are better represented than ever before in such groups as the OSHA Advisory Committee on Construction Safety and Health and the American National Standards Institute.

In the near future we will see the emphasis of OSHA shift toward the health aspects of the Act. We will become more involved with topics such as heat stress, noise exposure and toxic substances. This could become the greatest test, and potentially the greatest cost we will incur under this legislation. The current activities of our committee are intended to place our association in a position to be of significant assistance to the industry as the Act evolves in this new direction.

Any attempt to summarize the results of the law at this time may closely approach the always frustrating exercise of comparing "what is" with "what might have been." However, we can at least narrow the perimeters of doubt by concluding that, as yet, OSHA is neither as effective as some of its advocates thought it would be nor is it the obstacle to normal operations that was originally anticipated by industry.

Unquestionably, huge sums have been spent in compliance efforts with a resultant increase in construction costs and, therefore, inflation.

"We can judge that most of our original apprehension has proven groundless. The treatment of our industry has not been patiently unfair. We can work with OSHA and OSHA wants to work with us."

Solid answers on questions such as, "What did it cost?", "What has it accomplished?", and "What is the cost-benefit ratio?" will have to await more evidence.

We do know that OSHA is here and working and that it is never going to go away.

We can judge that most of our original apprehension has proven groundless. The treatment of our industry has not been patently unfair. We can work with OSHA and OSHA wants to work with us.

With continuing communication and cooperation, OSHA can remain a friend and colleague of our industry. OSHA will only be unfriendly to those who don't know or don't care.

AGC cares — it always has!

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