

News from This Week's *NewsBreak!*

March 17, 2010

Urge Congress to Oppose Merkley Amendment & Health Care Bill>>

Final negotiations are underway to block only the construction industry from the small business exemption-- we need your help now to urge elected officials to oppose these bad-for-construction bills!

For more information: http://www.bipac.net/issue_alert.asp?g=AGC&issue=merkley&parent=AGC

Another Fun-Filled Big Pig Pow Wow Comes to Upstate SC>>

The 7th Annual Big Pig Pow Wow, hosted by Greenville Chapter of NAWIC and Carolinas AGC on April 15, promises tons of networking, tons of fun! Register by March 31 to save \$5.00!

For more information: http://www.cagc.org/news_events/news/big_pig_pow_wow_2010.pdf

NCCER Releases Tower Crane Operator Curriculum>>

National Center for Construction Education and Research (NCCER) has released the Contren® Learning Series Tower Crane Operator curriculum.

Tower Crane Operator offers technical hints and tips from the crane industry, presenting real-life scenarios similar to those one might encounter on the job site. The content covers a variety of topics, including introduction to the trade, principles of tower cranes, safety, rigging, load charts, and tower crane operations. Students successfully completing Tower Crane Operator through an NCCER Accredited Training Sponsor will earn industry-recognized credentials through NCCER's National Registry.

NCCER is a not-for-profit 501 (c)(3) education foundation created by the construction industry to develop standardized curriculum with portable credentials and to help address the skilled construction workforce shortage. NCCER is recognized by the industry as the training, assessment, certification, and career development standard for the construction and maintenance craft professional. For more information visit www.nccer.org or contact NCCER customer service at 888.622.3720.

[Carolinas AGC is Endorsed for Crane Certification—One of only Eight in U.S.!](#)

Construction Economy Update: News from Your AGC Chief Economist>>

Construction lags in BLS state employment, hiring data; Manpower sees rosier outlook

Seasonally adjusted payroll employment increased in January in 31 states and the District of Columbia, decreased in 18 states and remained unchanged in Idaho, the Bureau of Labor Statistics (BLS) reported on Wednesday. Compared to January 2009, employment fell everywhere except in Alaska (1,900 jobs or 0.6%), North Dakota (1,300 jobs or 0.4%) and D.C. (500 jobs or 0.1%). *Seasonally adjusted construction employment rose from December in 18 states plus D.C., fell in 30 and was unchanged in South Dakota. However, unseasonable weather in November through January may have distorted normal employment patterns. Compared to a year earlier, construction employment fell everywhere. The smallest 12-month percentage losses*

were in North Dakota, -1%; Nebraska and Alaska, -4% each; South Dakota and Arkansas, -6% each. The largest losses were in Nevada, -30%; Arizona, -26%; Colorado, -22%; Idaho, -21%; and Florida, -20%. (BLS combines mining and logging with construction in reporting data for Delaware, D.C., Hawaii, Maryland, Nebraska, South Dakota and Tennessee.) BLS also revised prior-year data "in accordance with annual practices."

"The job openings rate rose over the month to 2.1%, the highest the rate has been since February 2009," BLS reported on Tuesday. "The hires rate (3.1%) and the separations rate (3.2%) were unchanged in January." *The job openings rate in construction, seasonally adjusted, slipped from 1.2 per 100 employees in December to 1.1 in January, although that was more than double the 0.5% rate in January 2009. Hires fell from 5.9% to 5.8%; separations rose from 6.7% to 7.3%.*

Manpower Inc. reported on Tuesday that, based on a survey of 18,000 U.S. employers, in the second quarter, "employers expect a relatively stable hiring rate" compared to the first quarter of 2010. The second quarter "Net Employment Outlook for the U.S. is favorable compared to one year ago at this time." *Among construction employers, 18% expect to increase hiring, 14% to decrease, for a net employment outlook of +4. Construction had the biggest increase among 13 sectors in net employment outlook, rising from -12 in the first quarter. However, sectoral results are not seasonally adjusted, and the net outlook for construction typically increases from the first to the second quarter.*

Employer costs for employee compensation in the private sector averaged \$27.42 per hour in the fourth quarter of 2009, BLS reported on Wednesday, with \$19.41 (70%) paid as wages and \$8.00 as benefits. *Total costs in construction averaged \$31.23 (14% higher than the all-private average), including \$21.67 (69%) for wages and \$9.56 in benefits. The distribution of benefits was quite different between construction and the private sector as a whole. Costs included legally required benefits (social security, Medicare, unemployment and worker's compensation) totaling \$3.47 for construction vs. \$2.25 overall, health insurance of \$2.14 vs. \$2.01, retirement and savings of \$1.60 vs. 92 cents, paid leave of \$1.14 vs. \$1.86, and supplemental pay of \$1.06 vs. 82 cents.*

There have been numerous price increase announcements for construction materials recently. Gerdau Ameristeel announced on Tuesday that it was raising prices for reinforcing bar products \$25 per ton immediately and an additional \$50 per ton on April 1. The Energy Information Administration (EIA) reported on March 8 that the national average retail price of on-highway diesel fuel rose to \$2.90, the highest level since November 2008 and 86 cents (42%) higher than a year ago. "Projected annual average retail diesel fuel prices are \$2.96 and \$3.14 per gallon, respectively, in 2010 and 2011," EIA said in its Short-Term Energy Outlook released on Tuesday. The New Mexico Department of Transportation (DOT) announced on Wednesday that its index for liquid asphalt for April would be \$650, up \$14 from March and up \$107 (20%) from April 2009. The Illinois DOT announced on March 2 that its index for bituminous (liquid asphalt) for March 1 was \$517.50, the fifth straight monthly increase, 42% above the low of November 1. One contractor sent AGC a list of price increases it had received that were due to take effect between today and April 5 for steel, copper and brass items and ranging from 6% to 15%.

New orders from U.S. manufacturers (excluding semiconductor manufacturers) climbed 1.7%, seasonally adjusted, in January, the ninth increase in 10 months, the Census Bureau reported on March 4. *Orders were 8.8% higher than a year earlier. Orders for construction materials and supplies slipped 0.4% for both the 1- and 12-month periods. Orders for construction machinery, which are typically volatile, soared 5.4% and 40%.*

Retail sales increased 0.3%, seasonally adjusted, in February and 4.4% from 12 months before, Census reported on Friday. *The gains are affecting retailers' construction plans unevenly. The Wall Street Journal reported on Wednesday, "J. Crew will open 15 new stores this year and*

expects to be 'much more ambitious' about store growth in 2011," Chief Executive Mickey Drexler said. But "one would-be competitor dropped out Tuesday. American Eagle Outfitters Inc. announced that it has decided to close its long-struggling" 28-store Martin + Osa chain.

Quarterly revenue of architectural and related services employer firms slipped 0.8%, not seasonally adjusted, in the fourth quarter of 2009 and 23% from the same quarter of 2008, Census reported on Thursday. Revenue of engineering services firms fell 2.3% and 13%.

The Data DIGest is a weekly summary of economic news; items most relevant to construction are in italics. All rights reserved.

FOCUS ON: Workforce Management>>

Looking to update your company employee handbook? Look no further-- CAGC offers a standard handbook (free to members!) that ensures you're covering all your bases. Have news or items of interest regarding workforce management and employee relations? Email them to UnionFree@Carolinasagc.org.

For more information: http://www.cagc.org/legal_labor_hr/locked/handbook.pdf

CAGC Feature of the Week: Golf Benefit>>

Spring fever is calling-- would you rather be working or golfing? Or both? Join your industry peers at the CAGC Golf Benefit, presented by Rutherford and Smith, Currie & Hancock, May 14 in Sunset Beach, NC, for a day of networking that rivals any day in the office.

For more information: http://www.cagc.org/news_events/news/golf_tourney10.cfm

IBuild Feature of the Week: Staff Reporters>>

Did you know? For additional information on a particular project in IBuild (such as bid date changes, addenda not yet posted), scroll to the bottom of that project's Details page to find the CAGC Staff Reporter responsible for the posting. From there, you may either email or call the reporter directly.

Go to IBuild: <https://ibuild.cagc.org/>

Nat'l AGC Feature of the Week: ConsensusDOCS Webinar>>

It's not too late to register for the 3/24 webinar, Comparing AIA and ConsensusDOCS in a Real World Setting. Using real-world examples, two leading construction attorneys will discuss many of the differences between ConsensusDOCS and AIA standard form construction contract documents

To Register: http://www.agc.org/cs/event_details?eventId=1948

Government Relations-- News Impacting Your Business>> North Carolina

U.S. Senate Passes Tax Extenders Package: The Senate on March 10 passed the American Workers, State and Business Relief Act, a move which retroactively extends \$31 billion worth of expired tax breaks for individuals and businesses through the end of 2010. Among the provisions for businesses are extensions of the research and development credit, tax cuts for small businesses that continue to pay employees called to active duty, and tax cuts to incentivize the use of biodiesel and renewable energy.

Individual provisions include extensions of the standard deduction for real property taxes and the deduction of state and local general sales taxes, the qualified tuition deduction, and tax-free distributions from individual retirement plans (IRAs) for charitable purposes.

The \$138 billion bill also extends unemployment insurance benefits and eligibility for COBRA health care coverage for unemployed workers through the end of the year, and provides temporary relief from pension funding obligations for companies hit hard by the prolonged economic downturn.

"This recession shook the foundation of our economy, leaving many Americans without work and many business owners questioning their future," said Senate Finance Committee Chair Max Baucus (D-MT). "Extending these tax cuts and the critical safety-net programs in this bill will give businesses the tax certainty they need to move forward and families the support they need to make ends meet."

The Senate still needs to pass the smaller \$17 billion jobs bill that the House passed last week with changes. That bill includes a \$13 billion payroll tax exemption for businesses hiring workers who had previously been unemployed for at least 60 days. Businesses would get an additional \$1,000 tax credit for every new worker retained on the payroll for at least a year.

Tax Collections Up: Tax collections in North Carolina rose by \$182 million in February compared with the same month a year ago, according to the state Controller's Office. Sales taxes for the first eight months of fiscal 2010 rose by nearly 13 percent, to \$3.6 billion, on the back of a tax increase. Corporate collections are up for the year due to a \$427 million windfall generated by the state Department of Revenue in a dispute-resolution program involving 236 companies.

Still, signs of the recession linger. Payroll tax collections -- linked to employment -- were down nearly 7 percent, at \$6.1 billion. Earnings from cash investments generated by the State Treasurer's Office dropped by \$73.1 million, or 71.4 percent, due to lower rates of interest return on money markets and similar investments, according to Triangle Business Journal.

ABC Stores Construction Costs Analyzed: The average cost for new liquor stores built in the state since 2004 is more than \$822,000, with an average cost per square foot of \$154, according to data compiled by the Wilmington StarNews based on a statewide survey of ABC boards. The Porters Neck store, built in 2006 with a price tag of \$1.27 million, and the Carolina Beach store, built in 2009 and which exceeded \$1.5 million, are two of the most expensive in the state per square foot. The Porters Neck store cost \$260 per square foot, while the Carolina Beach store cost \$245.

New Hanover County's other stores built since 2004 - at South College Road, completed in 2005, and 5410 Market Street, completed in 2007 - also are among the most expensive. Both cost more than \$1 million, or more than \$212 per square foot. The StarNews analyzed 53 new ABC stores built in the state since 2004, gathering information from 154 of the 165 local boards in the state. The newspaper only analyzed new stores and did not factor in land costs into the final price tags, since that can vary greatly. For more info: [ABC liquor stores construction costs analyzed](#).

Senate Candidate Scrutinized for Medicaid Billing: A candidate for the N.C. Senate and his wife agreed in a settlement last month to repay the state more than \$4.2 million for allegedly overbilling Medicaid for mental health services. The Rocky Mount Telegram also reports that Frankie Bordeaux and his wife, Faye Bordeaux, own and operate Cambridge Behavioral Health Services, a private mental health agency based in Greenville with three locations in Rocky Mount.

After a lengthy investigation last year by the N.C. Department of Health and Human Services, officials found several instances of potential fraud at the Bordeauxs' facilities, including forged patient signatures, numerous "canned" doctors' notes and the use of unqualified staff in delivering

mental health treatment, the newspaper reported. Among some of the accusations leveled against the facility, a care provider allegedly smoked crack cocaine with a patient and failed to provide any service.

Between July 2008 and December 2008, investigators found more than 1,500 violations of state protocol at Cambridge resulting in the overpayment of \$5.6 million, according to the settlement. The Bordeauxs agreed on Feb. 24 to settle the matter out of court and repay \$4.2 million over the next two years, the newspaper reported.

Frankie Bordeaux, who handles the administrative side of the business, is running as a Democrat for the District 3 seat held by N.C. Sen. Clark Jenkins, D-Edgecombe. District 3 includes parts of Edgecombe, Pitt and Martin counties.

Environmentalists Push Alternate to new Herbert Bonner Bridge: The Southern Environmental Law Center sent a letter this month to the White House expressing support for proposed a 17-mile bridge to replace the aging Herbert Bonner Bridge crossing Oregon Inlet. The Chapel Hill-based environmental group contends that the 17-mile option designed in 2003 to bypass N.C. 12 through Pea Island National Wildlife Refuge would be a less environmentally damaging and safer alternative to building a new bridge parallel to the old one.

The 17-mile option was tabled over concerns about access to the refuge and the estimated \$1.3 billion upfront cost. State Senate leader Marc Basnight wrote President Barack Obama last month, urging him to end the bureaucratic gridlock on the project that exists even though two federal agencies favor the plan to build a bridge parallel to the existing one. Bonner Bridge was built in 1963 and is in poor condition. State transportation officials say numerous repairs mean it is safe to cross, The Virginian-Pilot reports.

Raleigh Inspections Department Reorganizes: The department restructures to close the gap between building plan review staff and field inspectors. [Click here to learn more.](#)

Charlotte Developer Getting Scrutiny: A Charlotte-based developer linked to scandals surrounding former Gov. Mike Easley is Onslow County's largest delinquent real estate property taxpayer. According to the Onslow County Tax Office, R.A. North Development owes more than \$700,000 in back taxes. Countywide, delinquent taxpayers owe a total of \$5,412,483 on 5,784 properties.

So far, R. A. North has paid only around \$35,000 of the taxes it owes, said Onslow County Tax Administrator Harry Smith. Almost all of the Onslow County properties for which R.A. North owes taxes are in Summerhouse at Everett Bay, a subdivision on the Intracoastal Waterway. R.A. North also owns land in Cannonsgate, a gated community across from Bogue Banks on the Intracoastal Waterway in Carteret County, but the delinquent date for property tax there is not until March 12, according to the Carteret County Tax Office.

South Carolina

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distributions from individual retirement plans (IRAs) for charitable purposes. The \$138 billion bill also extends unemployment insurance benefits and eligibility for COBRA health care coverage for unemployed workers through the end of the year, and provides temporary relief from pension funding obligations for companies hit hard by the prolonged economic downturn.

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SC Legislature Passes Card Check Bill: Last week the SC Senate gave third and final approval to [H. 3305](#), the constitutional amendment that would protect the rights of workers in South Carolina to vote by secret ballot. Within minutes of the Senate vote, the House concurred by a vote of 106-12 and the bill has been sent to the Governor for his signature.

The passage of H. 3305 will allow a constitutional amendment to be placed on the election ballot, this year, to allow voters in SC the option to amend the state constitution to protect an individual's right to vote by secret ballot in a union election. Carolinas AGC, along with the State Chamber of Commerce, the National Federation of Independent Business (NFIB) and the Manufacturer's Association, worked tirelessly for the past two years to pass this legislation.

Tort Reform: Last week the full House gave third reading to [H.3489](#), the Tort Reform legislation, by a vote of 89-10. H.3849 includes punitive damages at 3 times compensatory damages or \$350,000 whichever is greater; establishes a sliding scale ranging from 23% to 4% on the amount of attorneys' fees that outside counsel receives when employed by the Attorney General or a solicitor; establishes an appeal bond cap of \$25 million for large businesses and \$1 million for small businesses in a civil action; clarifies that building code violations do not constitute per se fraud, gross negligence, or recklessness, and while they may be introduced as evidence in a case, they do not change the State of Repose back to 13 years, and allows the admissibility of the non-use of seat belts.

The Senate Tort Reform Subcommittee met late last week to discuss [S.350](#), which is the Senate version of the Tort Reform legislation. Sen. Tom Davis offered an amendment to the bill that included the same language in H.3489 but added two additional sections: Â immediate appellate review of a class certification and language that addresses piercing the corporate veil. Since the Senate subcommittee had yet to receive the House passed version of the tort bill and there were amendments being offered by members of the subcommittee, the subcommittee decided to carry over S.350 until the two sides are able to meet to discuss additional amendments to the bill.

Transportation Infrastructure Legislation: Last week, the House passed [H.4033](#), the transportation infrastructure legislation, which has been on the contested calendar in the House since May 2009. Rep. Alan Clemmons offered an amendment to the bill that gives the Department of Transportation the ability to negotiate a request for proposal with a private entity, but prohibits such partnerships on existing highways. The House approved the amended bill by a vote of 77-33.

Texting Ban: The House of Representatives passed [H.4282](#), which prohibits texting while driving, last week. The strike and insert amendment by the House Education committee was adopted on the House floor. The committee amendment not only bans texting while driving but bans the use of cell phones while driving as well. However, an amendment was adopted that struck the provisions related to talking on cell phones. There were several additional amendments offered, all of which failed. For example, amendments that prohibited eating, drinking, smoking, removing clothing and using electronic devices. The House, after several hours and even more amendments, passed the bill by a vote of 98-18.

Department of Workforce: The House of Representatives, last week, amended [H. 3442](#) the Department of Workforce legislation and sent the bill back to the Senate for concurrence. Several additional amendments were added that corrected technical errors in the Senate language, allows the review committee to select three candidates for director for the Governor to choose from, and calls for the advice and consent of both the House and the Senate on any candidate approved.

Sembler Tax Incentive Legislation: Last week the Senate began debating [S.1054](#), which would allow counties to create multicounty business parks with a portion being designated as an economic development site for commercial sites. Sen. Clementa Pinckney introduced the bill because of the high unemployment in his home county. He said such a park would bring jobs to South Carolina and result in high sales revenue. Several legislators applauded Pinckney's efforts, but are concerned the bill would be shifting jobs not creating jobs.

The Board of Economic Advisers (BEA) recently issued an opinion that the park would not be revenue positive for the state; instead the BEA estimated costs to the state for 2011-2012 would be \$4 million. Pinckney pointed out that he had voted for many economic incentives for different areas of the state. He also acknowledged his bill was a different kind of incentive because it is an incentive earned by the developer of the park. The Senate adjourned for the week with Pinckney holding the floor on S.1054.

Announcements For Members By Members>> In Memoriam

Mr. Morris Russell, Jr., Pee Wee's Electric Service, Inc., Lumberton, NC.

Announcements

W. B. Guimarin & Co., Inc., Columbia, SC, has surpassed a substantial safety milestone: 1,000,000 man-hours worked with no lost time accidents. This number of man-hours is equivalent to 100 men working for 5 years with no lost time injuries. Reaching this milestone is part of W. B. Guimarin's overall safety performance strategy; it is the second time they have achieved 1,000,000 man-hours, the first time being in 2003, the same year the company reached its century-mark.

Raleigh Chapter of NAWIC will meet Thursday, April 1, 5:30 p.m., NC State University Club, 4200 Hillsborough Street. Julie Hampton, a construction lawyer with Poyner Spruill will discuss contractual arrangements and contract agreements. This is the fourth program in the NAWIC Education Foundation CIT series. Register at www.nawicraleigh.org.