

FALL 2006

OFF THE WALL

An Industry Publication by the Wall-Ceiling & Carpentry Industries of New York, Inc.



2007 Construction Industry Forecast

Survey Results Indicate Cautious Optimism

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**OSHA Data
Shows Union
Sites Are Safer**
— page 30



*WC&C's
BARBECUE 2006
Photos Begin on page 18*

CALENDAR

2007

JAN 10 (WED.)	7:30 AM	BOARD MEETING	OFFICE
30 (TUES.)	6:00 PM	MEMBERSHIP MEETING	CARACALLA
FEB 7 (WED.)	7:30 AM	BOARD MEETING	OFFICE
NO MEMBERSHIP MEETING IN FEBRUARY			
MARCH 14 (WED.)	7:30 AM	BOARD MEETING	OFFICE
20 (TUES.)		SEMINAR	TBA
23 (FRI.)	7:30 PM	DINNER/DANCE	TERRACE ON THE PARK
APRIL 11 (WED.)	7:30 AM	BOARD MEETING	OFFICE
17 (TUES.)	6:00 PM	MEMBERSHIP MEETING	TBA/MANHATTAN



Cover Illustration
Courtesy Lower Manhattan Development Corp.

OFF THE WALL

Off the Wall is published through the Promotional Fund by the Association of Wall-Ceiling & Carpentry Industries of New York for the benefit of the membership. It is distributed to members, associate members, union affiliates, and legislators. Editorial contributions, including pictures and story ideas, are welcome and should be forwarded to the WC&C office, 125 Jericho Tpke., Suite 301, Jericho, NY, 11753.

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*From the
Executive Director
Joseph Olivieri*

We Have To Promote The High Safety Record of Using Union Labor

In my last message to you I spoke about the importance of on the job safety practices and, in fact, the major content of our summer issue of *Off The Wall* was devoted to Safety. It continues to be imperative that we get the message out to developers, key people in government, and the public at large, how important the safety value of having union labor is to everyone.

There were some terrible statistics detailed in a recent New York Times article: “in the 12 months that ended on September 30th, 17 of the 29 construction workers who died in work-related accidents in New York City, fell to their deaths. In the previous year, 18 construction workers were killed, 9 in falls...” The Times article also pointed out that of 28 incidents in which the 29 workers were killed, 24 involved nonunionized workers.

What should this tell people? That union labor, workers who have had union safety training, work for union contractors who demand adherence to correct safety procedures, are the workers who get the job done not just better, but quicker, safer, and with less work stoppage. Building safer costs less in the long run and it's union labor that builds safer!

We have to promote that message!

There are many stories of workers who have been saved by using the right equipment, doing things in a safe way – the way our union workers have been trained to work. We need to tell those stories.

A recent OSHA analysis of data for construction projects across New York City found that nonunion employer-run sites have a markedly higher rate of violations and fatalities than sites handled by union contractors. In fact, OSHA's Manhattan area director, commented that he thinks that there is a greater prevalence of dangerous conditions and a commensurate higher number of fatalities, on nonunion sites. (See the article “Union Sites Safer in OSHA Data” on page 30 of this issue of *Off The Wall*.)

I think government officials and many in the private sector are, on some level, aware of the contrasting data between union and nonunion safety, but it is important for us to keep the data in the forefront. Management and labor must view this as a high priority. Why don't we get together to create a major public relations program. We need to get specs changed that will insist on OSHA certification of

all workers. We need the public to realize that those unskilled workers being used on nonunion jobs are a danger not only to themselves but to innocent passersby who can get hurt, even killed by falling debris carelessly handled by workers who don't know the safety rules. The more we can elaborate on the distinction – that union labor is safe labor, the stronger is our case that union labor is in all ways better and more desirable.

Obviously, safety is a key factor in insurance costs causing safety to be a major element in the bidding competition between union and nonunion contractors. Much effort has gone into our company safety programs and I recommend everyone expand on this to keep job safety up, accidents down, and insurance premiums at a minimum.

Your association continues to work with the New York District Council of Carpenters and the Empire State Council of Carpenters on certification that will include OSHA 10- and 30-hour courses such as HILTI safety.

Additionally, we are in the process of creating a program using several volunteer contractors to begin testing on ADR (Alternate Resolution Disputes).

Let's get some dialogue going about a formal labor/management PR campaign to show developers and key people in government, as well as the public at large just how important the safety of union labor is to everyone. Perhaps this is the key that will finally open up a level playing field for our side in the union-nonunion competition.

Meanwhile, I want to wish all of our members a very safe and happy holiday season and a prosperous new year.

– Joe Olivieri



*From the
PRESIDENT
Michael Weber*

Executive Conference, Safety Management, STEELDoing It Right, and Lien Lists

Fall is underway and winter is upon us and 2006 is coming to a close. I wish everyone a safe and happy holiday and a prosperous new year.

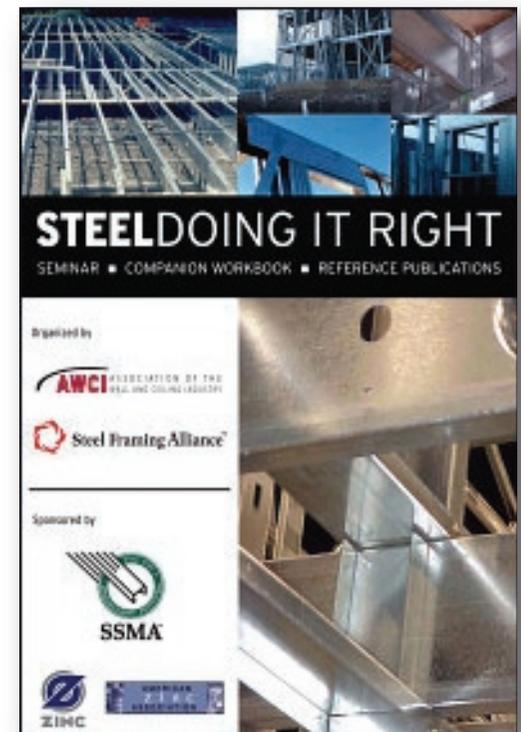
AWCI's Industry Executives' Conference & Committee Week took place in October in Colorado Springs. Nestled in the shadow of Pike's Peak, as the brochure explained, the locale was replete with breathtaking mountain scenery, exciting attractions and wonderful accommodations. Our New York Chapter was well represented. Thank you Lee Zaretsky, Joe Barone, Ken von Glahn and Joe Olivieri for your participation. I would also like to thank UBC general president Doug McCarron for taking time out of his busy schedule to address the union council membership meeting. Doug's commitment to skills training for the UBC is second to none in the industry and we look forward to working with him and his team in making our shared vision a reality.

As a followup to our commitment on Safety, our association is invest-

ing in a Safety Management program for our members. We will be working with AWCI to implement this new program and to provide training as needed by our membership. AWCI has also developed a number of web pages devoted to safety and safety issues including safety news, articles and bulletins, compliance tips and a safety calendar. The safety calendar provides recommendations that can be followed to systematically develop, update and improve your company safety program. The calendar also identifies safety events and deadlines like the posting of the OSHA 300 log. For more information on the safety program visit AWCI's web site at www.awci.org.

In addition to our safety commitment, we are collaborating with AWCI to bring a "STEELDoing It Right" seminar to the New York area. STEELDoing It Right is an education program organized by the Association of Wall and Ceiling Industry and the Steel Framing Alliance. The seminar covers the essential knowledge and techniques for the correct installation

of cold-formed steel for most load bearing and non-load bearing projects. The program consists of three days of classroom instruction, given in a format that promotes interaction between the participants and the professional engineer instructors. The benefits are that



it will give the attendees a competitive advantage, increase production, better estimating, better project management, better quality control and fewer surprises. Any member interested in having estimators and project managers attend a STEELDoing It Right seminar please notify Joe Olivieri at WC&C headquarters at 516-478-5600.

Finally, in an effort to keep our membership informed of the current status of projects in our market, we are exploring options to provide a lien list to our membership on a regular basis. Stay tuned...

— Michael Weber

Erwin Popkin offers a potpourri of legal information in his *It's The Law* column on page 16.

Terrorism Outreach



POLICE DEPARTMENT

Dear Sir/Madam:

The New York City Police Department is reaching out to a wide spectrum of businesses and industries in the metropolitan area in order to furnish a ready contact that may be helpful in reporting information or circumstances that appear unusual or suspicious to you, your employees, or members of your professional/trade/business association, and thus could be of possible assistance to law enforcement.

There is an ongoing, general concern that individuals seeking to commit acts of terrorism—while portraying themselves as legitimate customers—may look to purchase or lease certain materials or equipment or undergo formalized training to acquire certain skills or licenses. There is also a concern that such individuals may simply steal certain types of vehicles, equipment or materials in the inventory of legitimate businesses. Whatever the method, once appropriated these items would then be used to facilitate a terrorist plot.

Instances of suspicious conduct observed by you or your employees may not be criminal per se, but are striking because of a peculiarity or fact pattern that does not match your personal business or industry experience when dealing with customer requests. The option to contact the NYPD – in addition to contacting local authorities in your area – is intended to encourage and facilitate an exchange of information in such matters and provide yet another resource to the public.

The NYPD may be contacted by telephone 24-hours a day, seven-days a week, through the Toll-Free Terrorism Hotline 1-888-NYC-SAFE or through New York City's Non-Emergency Services number 3-1-1. If you wish to learn more about *Operation Nexus*, please visit the NYPD website at www.nyc.gov/nypd and locate the Counter Terrorism link.

Thank you for your assistance.

Sincerely,

Phil T. Pulaski
Assistant Chief

Rev. 02-27-06

COURTESY • PROFESSIONALISM • RESPECT
Website: <http://nyc.gov/nypd>

FD-108-101 (Rev. 4-07-04)



2007 Construction Industry Forecast

Survey Results Indicate Cautious Optimism Among Contractors and Distributors

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The Construction Industry Forecast

For 31 consecutive years, CIT has conducted and published this comprehensive, forward-looking survey of the North American construction industry.

Based on responses from survey participants, the Forecast summarizes construction industry leaders' perceptions of the state of the industry and predicts trends for the coming year.

The research. The 2007 Construction Industry Forecast is based on data collected by ORC Macro of New York during July 2006. Using its in-house calling resources, ORC Macro conducted 1,261 telephone surveys with the "president" or "chief financial officer" of contractor and distributor firms in the U.S. and Canada.

Companies surveyed were selected in a random sampling process that considered a variety of factors, including regional representation in both the U.S. and Canada and industry segmentation.

The following table provides a more detailed breakdown of survey respondents.

UNITED STATES CANADA TOTAL

	UNITED STATES	CANADA	TOTAL
Contractors	450	200	650
Distributors	452	159	611
Total	902	359	1,261

Actual interviews conducted.

Respondent classification. Contractors were identified as either "builders" or "non-builders." For the purposes of this survey, "builders" are contractors who work on above-ground projects; "non-builders" are contractors who generally use equipment for underground construction or site development. "Distributors" are companies that deal primarily with heavy equipment, light equipment or general equipment, and provide a range of products and services to the construction industry.

Optimism Quotient. The Optimism Quotient (OQ) is this Forecast's primary indicator for assessing and comparing the respondents' level of confidence in the health of the construction industry. The OQ is a weighted and averaged number that expresses construction executives' perceptions of the industry's prospects for the coming year. Generally, a number of 100 or higher indicates strong optimism in the industry's one-year outlook, while a number below 100 indicates a more cautious projection.

U.S. National Trends

Key findings

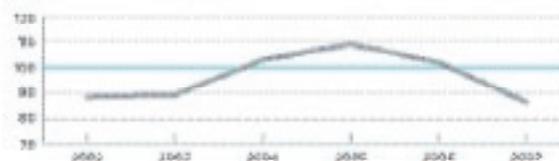
- Executives expect similar activity levels in 2007
- Interest rates, slower economy take toll
- Qualified technicians in short supply nationwide

If you look only at CIT's bellwether Optimism Quotient (OQ), it appears that rising interest rates and a slower economy will have a dampening effect on the American construction industry next year. But dig a little deeper and it's just as obvious that the 900-plus U.S. construction executives interviewed for our *2007 Forecast* see opportunities that offset many of the challenges they expect to face in 2007.

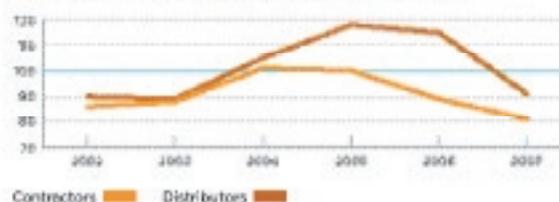
All things considered, most survey participants expect 2007 construction activity will come close to equaling that in 2006. In addition, there are wide regional variations, with construction leaders in the South and West considerably more optimistic than those in the Northeast, Midwest and North Central parts of the country.

The Optimism Quotient (OQ) for the U.S. fell 16 points from 102 in last year's *Forecast* to 86 this year. This follows three consecutive years in which the national OQ has been above 100, which is the dividing line between optimism and caution in our survey.

National Optimism Quotient Trend (Total)



National Optimism Quotient Trend (By group)



But it's important to remember that the OQ is a statistic that compares one year with the next. So a score of 86 doesn't mean that 2007 is going to be a down year for one of America's largest and most important industries. In fact, there are many bright spots in this year's *Forecast*. A lower OQ does indicate that fewer respondents than last year expect 2007 to be better overall than 2006. After an extended period of growth, it shouldn't come as a big surprise to anyone familiar with this industry and its cycles that the growth rate in the construction industry appears to be slowing down in some parts of the country.

Contractors, distributors see similar year ahead.

Nationwide, most survey participants expect construction activity in 2007 to match 2006 activity levels.

Thirty percent of contractors said local construction activity will increase in 2007, while 47% said there will be no significant change. Last year, 32% of contractors said activity would increase in 2006 compared to 2005.

For contractors, bidding activity is an important leading indicator. Forty-two percent expect to bid on more projects in 2007 than in 2006 and 38% anticipate about the same number of bidding opportunities. Last year, 53% of contractors expected to bid more in the coming year.

Among distributors, 59% said residential construction activity in their area will at least equal 2006 levels, but that's down significantly from the 84% who expected activity to hold steady or increase in last year's *Forecast*. Eighty-two percent think that non-residential construction activity levels will be at least comparable to 2006 levels.

Asked about the overall business outlook for 2007, 33% of contractors and 43% of distributors said 2007 will be a better year than 2006. Forty-five percent of contractors and 36% of distributors expect a comparable year in 2007.

Caution: slower economy, higher interest rates, fewer workers.

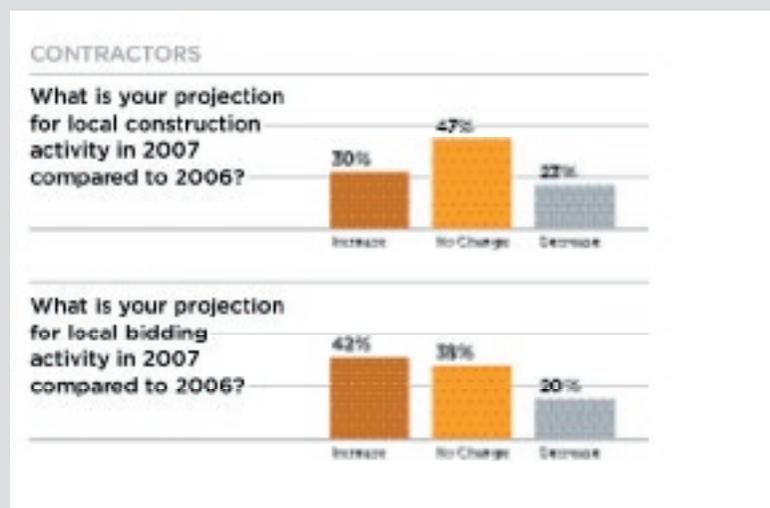
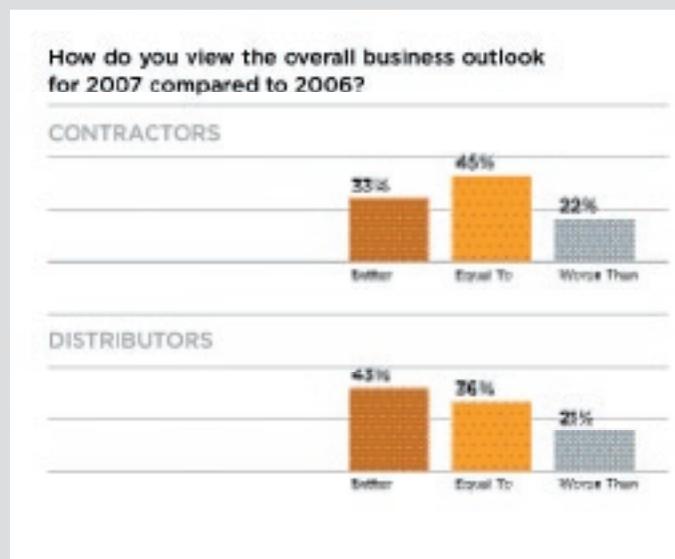
After several years of robust activity, respondents are keeping a close watch on rising interest rates and slowing economic growth as possible early warning signs of a construction industry that's starting to cool.

Forty percent of contractors who anticipate a slower

year said higher interest rates are a significant factor, up from 15% in last year's survey and 11% in 2004. Distributors agree; of those predicting less activity in residential and non-residential construction, more than 40% cited interest rates as one reason for a predicted slowdown.

But on the other side of the coin, a significant number of contractors (30%) and distributors (35% for nonresidential; 23% for residential) think that construction activity will actually increase in their area. They mention more opportunities, a stronger economy and a growing population among their reasons for optimism.

Meanwhile, many construction companies indicate that they'd have difficulty gearing up for a bigger workload because they can't find enough construction technicians to do the work. More than one-third of contractors and 30% of distributors (more than last year on both counts) said that a shortage of qualified workers is the industry's single most serious problem. A lack of good workers has topped contractors' list of concerns for two straight years and distributors' for three.



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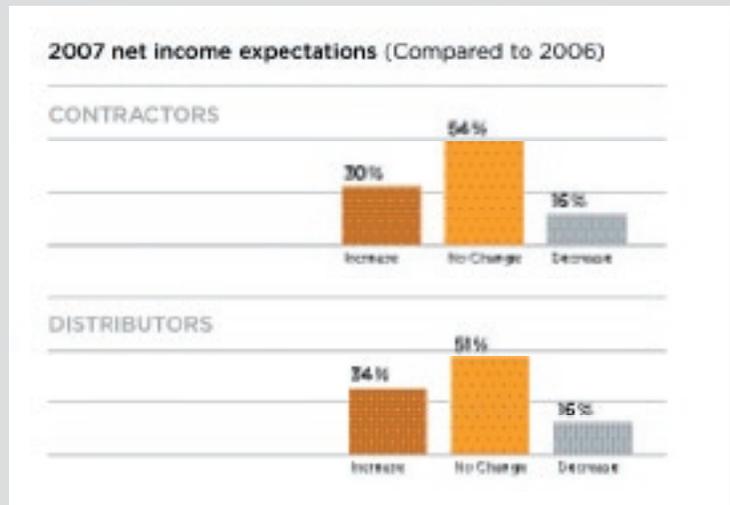
2007 Construction Industry Forecast

Continued from previous page

Why do you think that construction activity in your area will decrease in 2007?

	CONTRACTORS All activity	Residential	DISTRIBUTORS Non-Residential
High interest rates	40%	43%	42%
Weaker economy/ Down business cycle	32%	33%	47%
Volume of work has decreased/specific projects canceled or postponed	16%	2%	4%
Past overbuilding	13%	23%	17%
High fuel prices	9%	3%	4%
Government involvement	-	-	7%
Hurricane/storm damage	-	5%	-
High cost of materials	5%	-	-
Other	5%	14%	14%

Base: Respondents who said activity will decrease in 2007; multiple answers allowed



Financial Overview

Key findings

- Leaders confident about growing, maintaining profits
- Financing, fuel costs cause bottomline pressures
- Rates, experience top financial partner considerations

Most contractors and equipment distributors taking part in our *2007 Forecast* are confident about their ability to maintain or grow their profits in the coming year.

More than half of each group said their net income will stay about the same, while 30% of contractors and 34% of distributors said income will increase. In the *2006 Forecast*, 34% of contractors and 45% of distributors predicted their income would rise.

Contractors who think income will increase anticipate a very healthy 21% boost, on average, with non-builders projecting year-over-year income growth in the 30% range, about twice their estimate of a year ago. Distributors are more conservative in their estimates for 2007; they see income rising by about 15%, compared to a 20% projection in our *2006 Forecast*.

We also asked survey participants to predict their 2007 sales volume. The median estimate for distributors is \$3.67 million, down from \$4.13 million in last year's survey; the median estimate for contractors is \$510,000, up from \$500,000 in 2006. Seventy-one percent of distributors and 28% of contractors expect sales of \$1 million or more; 25% of distributors and 4% of contractors said their 2007 sales will top \$10 million.

Construction firms watch interest rates climb.

Construction company executives are keeping a close watch on their financing costs and in 2007 they expect to watch them go higher. More than 80% of *Forecast* participants anticipate higher financing costs in 2007, making this the fifth consecutive year that more than half of contractors and distributors have said financing costs will rise.

More contractors this year than last (84% vs. 73%) foresee a bump in financing costs.

Interest rates and personal experience with a provider are the two most important considerations when it comes to choosing a financial services partner to provide equipment loans and leases, revolving lines of credit and other types of financing, according to almost 90% of survey participants. They also place high value on such factors as reputation, total cost, recommendations and personal relationships.

More than half of survey participants again rank the high cost of capital and shrinking profit margins among the industry's most serious problems. Forty-five percent of contractors and 44% of distributors said cash flow is also a serious industry problem.

Higher gas prices fuel rising operating costs.

Almost 60% of contractors and 46% of distributors report that higher fuel prices are having a significant negative impact on the bottom line. The percentage of contractors listing energy costs as a major industry problem has grown each year since the *2004 Forecast*, increasing from 8% to 10% in the last year. More than 30% of contractors and distributors said they pass on all or most of additional fuel expenses to their customers.

Median annual sales volume

	CONTRACTORS	DISTRIBUTORS
2003	\$590	\$3,800
2004	\$540	\$3,700
2005	\$600	\$3,900
2006	\$500	\$4,130
2007	\$510	\$3,670

In \$1,000s

Other equipment-related expenses are also on the minds of contractors for 2007. With their equipment fleets aging, 58% expect to spend more on maintenance, 65% think the cost of parts will increase, and 58% foresee higher service costs in the coming year. This marks the second year in a row that more than half of contractors surveyed have predicted increases across all three of these critical operating expenses.

For five straight years, three-fourths or more of contractors and distributors have said that high insurance costs are one of the construction industry's most serious problems. In this year's *Forecast*, insurance costs again were mentioned most frequently by respondents asked to name the industry's top problems.

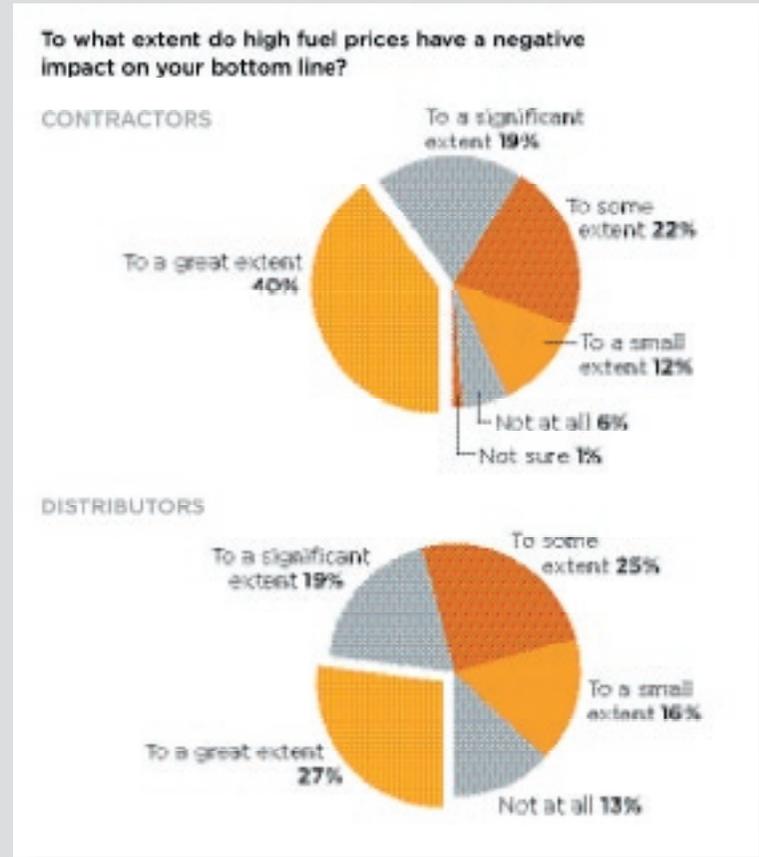
For distributors, four of the five most-mentioned problems are financial factors (insurance costs, capital costs, profit margins and cash flow); for contractors, these four factors rank in the top six.



2007 top financial concerns

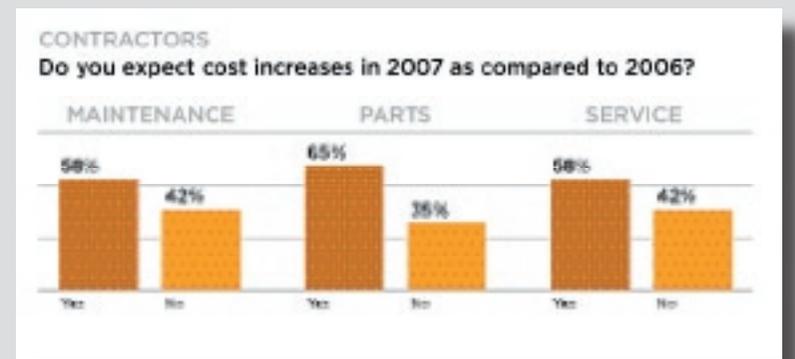
	Profit Margins	Cost of capital	Cash Flow
CONTRACTORS	53%	56%	45%
DISTRIBUTORS	55%	58%	44%

Percentage of respondents naming each as a serious industry problem



What are the most important factors in choosing a financial services partner?

	CONTRACTORS	DISTRIBUTORS
Interest rates	89%	89%
Personal experience with provider	87%	89%
Construction industry reputation	78%	78%
Total cost of financial product/service	76%	71%
Recommendations	76%	72%
Presence of a local office	74%	60%
Personal relationship with a representative	72%	82%
Construction industry knowledge	68%	71%
Construction industry experience	66%	66%



Business Strategy Overview

Key findings

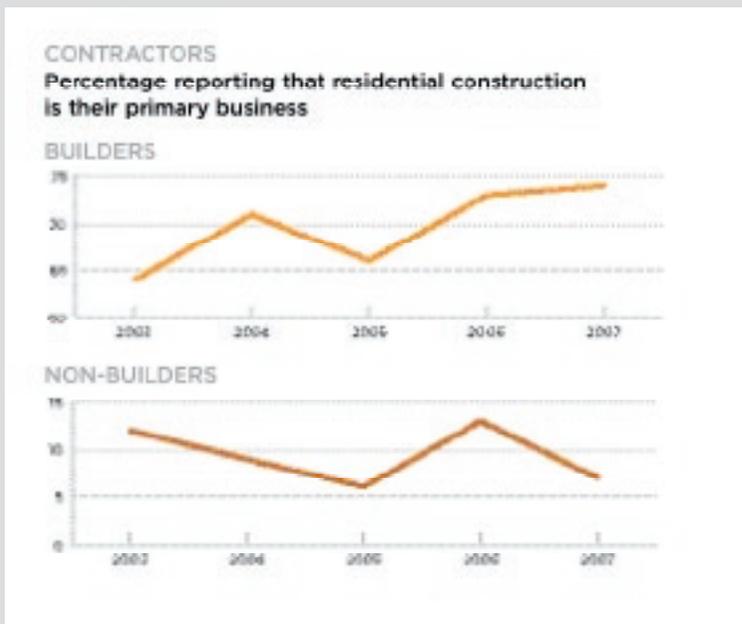
- Builders zero in on residential construction work
- Construction executives rely on each other for information
- Manufacturers' image with contractors improves

About three-fourths of builders continue to make residential construction the foundation of their business. In fact, the number of builders focusing their activities primarily on home and apartment building projects has increased dramatically since our 2000 Forecast when just 50% listed residential construction as their primary source of business.

However, after surging to 13% in the 2006 Forecast, the number of non-builders who said home construction is their main focus dropped almost by half to 7%. More non-builders concentrate on excavation and clearing, earthmoving and reclamation, water and sewers, and logging than on residential construction.

Survey participants continue to tap into other information channels, too. Both contractors and distributors frequently use industry journals, daily newspapers and the *Wall Street Journal* to gather insight. The number of distributors who rely on e-mail newsletters jumped 10 percentage points to 48% in this year's survey and 73% of distributors called the Internet a good information source; 52% of contractors also rate the Internet as a top information gathering tool. Industry meetings and seminars are of considerable value, according to 44% of distributors and 49% of contractors.

For the fifth consecutive year, 30% or more of distributors said they plan to diversify their business as a marketing strategy for the coming year. This year, 30% expect to diversify, 29% plan to use the Internet for marketing and 29% expect to advertise. Compared to our 2006 Forecast, slightly fewer distributors plan to use manufacturer-subsidized financing programs (27% vs. 21%) and dealer financing programs (21% vs. 14%) as marketing tools.



Relationships rule in the U.S. construction industry and when those surveyed need information they are most likely to turn to friends and colleagues who are also in the industry. Eighty-eight percent of distributors and 90% of contractors said personal contacts are their most valuable source of information.

DISTRIBUTORS	
What marketing strategies offer the greatest potential in 2007?	
Diversification of business	30%
Internet	29%
Advertising	29%
Manufacturer-subsidized financing	21%
Taking on new lines	19%
Dealer financing programs	14%
Reduction in number of lines	5%
Word of mouth	3%
Other	3%
Improving sales tactics/telemarketing	2%
None	5%

Distributors, manufacturers satisfy contractors.

Contractors seem generally satisfied with the products and services they receive from distributors. While most had improvement ideas for distributors, 45% of contractors could think of nothing that needed improving. Twenty percent of contractors want to see better service, 18% better pricing and 12% better inventory.

When it comes to rating equipment manufacturers, contractors are much happier than they were a year ago. Sixty-five percent of contractors still have improvement suggestions in this year's Forecast, but that's a dramatic drop from the 87% who had ideas for better performance a year ago.

More contractors (15% vs. 12%) this year would like to see service improvements; fewer expressed concerns about manufacturers' pricing and financing, product quality, and inventory levels. Distributors are less forgiving when it comes to manufacturers' performance. About the same number as last year (92%) had improvement suggestions for manufacturers, including more favorable pricing and financing programs (41%), better service (15%), better product quality (15%), and better inventory availability (9%).

As activity slows and competition grows, 25% of distributors think they'll see the number of active contractors working in their area grow next year, down from the 30% who expected the number of contractors to increase in 2006. On average, contractors expect to work with 2.6 distributors; that number has changed little in recent years.

CONTRACTORS

What can distributors and manufacturers do to better meet your needs?

	DISTRIBUTORS	MANUFACTURERS
Improve nothing	45%	35%
Improve service	20%	15%
Improve price/financing	18%	21%
Improve inventory	12%	6%
Improve product quality	2%	19%
Other	8%	9%

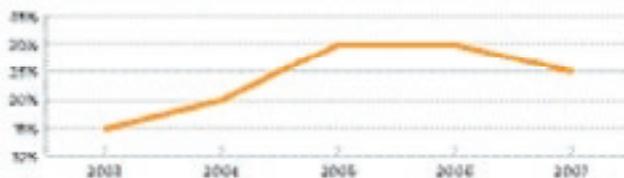
DISTRIBUTORS

What can manufacturers do to help you improve your sales?

Improve pricing/financing	41%
Improve service	15%
Improve product quality	15%
Improve inventory	9%
Improve marketing/advertising	9%
Improve nothing	8%
Other	25%

DISTRIBUTORS

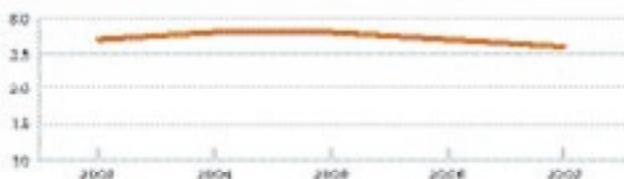
Will the number of contractors in your area increase in 2007?



Percent anticipating an increase

CONTRACTORS

With how many distributors do you work?



Mean number of distributors

What are your top information sources?

	CONTRACTORS	DISTRIBUTORS
Industry colleagues and friends	90%	88%
Industry journals	71%	82%
Daily newspapers	58%	51%
Internet	52%	73%
Meetings and seminars	49%	44%
TV & radio	44%	32%
Financial services	38%	53%
e-Mail newsletters	31%	48%
Wall Street Journal	22%	34%
Other	12%	11%

Percent mentioning these sources as valuable

Issue and Opportunity Overview

Key findings

- Contractors see promise in residential construction
- Insurance costs continue to plague industry
- Worker shortage No. 1 problem for contractors

Most contractors still think that residential construction will provide the best opportunities in the year ahead. In fact, more than two-thirds of builders and one-third of non-builders said that home and apartment construction is their best opportunity for 2007; those are the highest percentages for both groups in many years.

The number of builders favoring residential construction over any other opportunity has grown from 53% to 68% in six years; the number of non-builders of like mind has doubled since 2004. But, for the first time since 2002, 20% or more of both builder and non-builder groups see commercial construction as their best bet for

Continued on following page

2007 Construction Industry Forecast

Continued from previous page

the year ahead, possibly a positive indicator for this lagging sector of the construction industry.

CONTRACTORS
Construction industry's single greatest opportunity for 2007

	BUILDERS	NON-BUILDERS
Residential construction	68%	33%
Non-residential/commercial construction	22%	20%
Diversification of business	5%	2%
Government projects (other than road, bridge, land reclamation)	3%	5%
Road & bridge construction, repairs	-	13%
Water & sewer projects	-	10%
Logging	-	10%
Oil & gas development	-	3%
Land reclamations	-	2%
None	1%	-
Other	2%	3%

One answer allowed

Among non-builders, 13% see the best opportunities in road and bridge work, 10% in water and sewer projects, and 10% in logging. Other government projects and oil/gas development also were mentioned as potential opportunities for non-builders.

Distributors see opportunities in commercial arena.

A significant number of distributors also see promise in the commercial arena for 2007. Twentyfour percent see commercial construction as a good opportunity for the coming year, the same number as last year, and 20% see promise in other commercial projects, down slightly from the 2006 Forecast.

The number of distributors calling general construction one of their greatest opportunities fell for the first time in recent memory, from a high of 43% a year ago to 33% in this year's Forecast. General construction has consistently topped the opportunity list for distributors over the last decade or more.

Distributors are slightly less enamored with government projects in this year's Forecast than they were a year ago. The number of distributors viewing road and bridge work as a prime opportunity fell seven percentage points to 21%; fewer distributors also mentioned land reclamation and other government projects as promising opportunities.

With natural resources still in high demand, a significant number of distributors continue to see growth opportunities in oil and gas development (17%, unchanged from last year) and mining (13%, up one percentage point from last year).

Construction companies seek qualified workers.

The construction industry needs a few good men and women — more than a few, actually. For our 2007 Forecast, 35% of contractors (up from 31% a year ago) and 30% of distributors (up from 29%) said that a shortage of qualified workers is the industry's single most pressing problem. The shortage of workers, specifically qualified technicians and other skilled employees, has been the most serious problem for contractors for the last two Forecasts and for distributors for three straight.

Twenty-three percent of contractors and 16% of distributors were more concerned about rising health insurance costs, naming insurance spending as the most serious problem they face. In fact, when given the opportunity to mention more than one problem, more respondents cited insurance costs than any other concern for the fifth straight year. Eighty-one percent of contractors and 75% of distributors said health insurance is a major problem; a substantial majority of respondents, but down slightly from the 2004 peak year in both cases.

With predictions of a slower year on the horizon, more respondents are concerned about staying busy this year than last. One-third of contractors and 22% of distributors called lack of work a major problem, compared to 23% and 19%, respectively, in the 2006 Forecast.

Financial concerns — including high cost of capital, profit margins and cash flow — rank high on lists of serious problems for both contractors and

DISTRIBUTORS
Construction industry's greatest business opportunities for 2007

General construction	33%
Commercial construction	24%
Road & bridge construction, repairs	21%
Commercial projects	20%
Oil & gas development	17%
Mining	13%
Government projects (other than road, bridge, land reclamation)	10%
Land reclamations	5%
Other	9%
None	3%

Multiple answers allowed

distributors. Fewer contractors, 48% compared to 56% last year, are worried about the effect of changing government regulations.

U.S. Regional Overview

2007 Forecast results vary widely by region.

Results of the *2007 CIT Construction Industry Forecast* underscore that construction is, after all, a local industry. Viewed as a whole, the industry is unquestionably more cautious about prospects for the year ahead than it was last year at this time. But there are wide variations in mood that depend largely on where a construction company is based. It would also be shortsighted to view this year's *Forecast* results in isolation. True, our benchmark Optimism Quotient (OQ) dipped into the sub-100 range nationwide and in eight of the nine regions this year. But a glance at the three-year OQ average — which stands at the threshold of optimism — reveals that the construction industry has been on a pretty strong run over the last several years. So what's ahead in your part of the country for 2007? You'll find predictions in the following regional overview.

Middle Atlantic

New Jersey
New York
Pennsylvania

Key findings

- Contractors expect activity to hold steady
- Commercial construction shows promise
- Shortage of workers a contractor concern

The Middle Atlantic Region's Optimism Quotient dropped 15 points to 72, one of the three lowest ratings in this year's survey. With an OQ of 82, distributors are significantly less negative than contractors, whose OQ fell eight points to 62 this year. The Middle Atlantic has been one of three most cautious regions in our survey for five consecutive years.

Boding well for the future, 70% of contractors anticipate having at least as many bidding opportunities as in 2006 and 21% think that 2007 will be a better year overall. More than half (56%) of Middle Atlantic contractors expect construction activity to stay about the same in the coming year, but just 16% think activity will increase, which is about half the national average of 30%.

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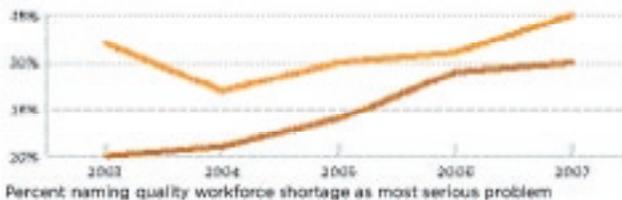
Construction industry's most serious problems for 2007

	CONTRACTORS	DISTRIBUTORS
Increased insurance costs	81%	75%
Lack of a quality workforce	74%	69%
Change in government regulations	48%	43%
Profit margins	53%	55%
High cost of capital	56%	58%
Cash flow	45%	44%
Distribution of more lines due to manufacturers merging	-	30%
Lack of work	33%	22%
Lack of adequate bonding services	18%	-
Fuel/energy costs	10%	8%
Parts/products availability	-	4%
Other	11%	14%
None	3%	-

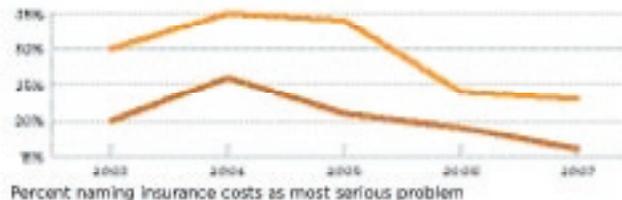
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What is the single most serious problem facing the industry?

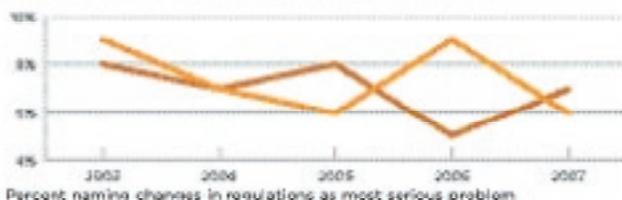
LACK OF QUALITY WORKFORCE



RISING INSURANCE COSTS



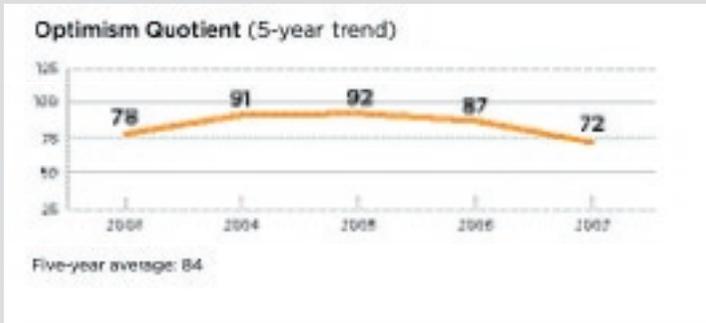
CHANGES IN GOVERNMENT REGULATIONS



Contractors ■ Distributors ■

2007 Construction Industry Forecast

Continued from previous page



Last year, 55% of Middle Atlantic distributors saw a better year ahead; this year, that number has dropped to 29%. Sixteen percent of distributors foresee an increase in residential construction and 31% see more activity ahead in the non-residential sector. While fewer distributors here than elsewhere blame rising interest rates for the expected slowdown, 27% (compared to just 7% nationwide) said government involvement is a factor driving down non-residential activity.

Thirty-one percent of distributors and 26% of contractors said their net income will rise in 2007; both groups expect average increases of about 12%.

While just 17% of distributors plan to sell more new equipment in 2006, the lowest percentage of any

region in our survey, those planning to grow their sales predict a bullish 25.5% increase, on average. Twenty-seven percent of contractors expect to buy new equipment and 16% plan to add pre-owned equipment to their fleets. Equipment buyers expect to spend an average of about \$44,000 on new equipment and a survey-low total of \$15,200 on used items.

Compared to a national average of 24%, significantly more distributors (38%) think their best 2007 opportunities lie in commercial construction. Meanwhile, residential construction seems to be the best bet for both builders (81%) and non-builders (62%); those numbers are significantly above the national averages of 68% and 33%, respectively.

Contractors in this region are more troubled by a shortage of both work and workers than most of their peers; 40% said lack of work is a major problem, compared to 33% nationwide; 82% cited a shortage of skilled workers as a big challenge, compared to 74% in the total survey. Insurance costs continue to top the list of industry problems for both contractors and distributors. •

Note: The complete CIT 2007 Construction Industry Forecast is available for downloading in pdf form at www.cit.com.

More Lumber for America

The NAHB (National Assn. of Home Builders), www.nahb.org, Washington, D.C., reports U.S. homebuilders have been in discussion with Swedish trade and industry officials that are geared toward increasing exports of softwood lumber and other wood products to America.

The NAHB says America today does not have the domestic capacity to meet its demand for lumber. Additionally, a new trade pact with Canada and the U.S., effective Nov. 1, will “institute a complicated system of border taxes and quotas, creating serious uncertainties for U.S. builders over the availability and price of Canadian lumber.”

“The meetings with several large Swedish lumber-producing companies, trade organizations, and government officials were extremely productive. All the parties expressed a strong interest in the U.S. market,” says Jerry Howard, executive vice president and CEO of the NAHB.

The talks were a result of the NAHB’s board of directors adopting a resolution that calls on the association to work with the governments of other countries and industry to promote additional opportunities for America’s homebuilders to “obtain access to high-quality, stable and affordable supplies of lumber.”

Included in the talks were Setra Group, www.setragroup.se, Solna, Sweden; Bergkvist-Insjon, www.bergkvist-insjon.se, Insjon, Sweden; and SCA Timber, www.timber.sca.com, Etruria, Sweden, among others.

J for Jobs

J for Jobs Once More Outpaces Benchmark in First Half

J for Jobs (Separate Account J) continued to show why it is a Union Labor Life flagship product when it again outperformed its benchmark in the first half of 2006 by 321 basis points.

Total return on J for Jobs was 2.49 percent in the first half versus a 0.72 percent loss for the fixed-income benchmark Lehman Brothers U.S. Aggregate Bond Index. Over the preceding 12 months, the fund provided a total return of 5.25 percent versus a loss of 0.81 percent for the index -- a 606 basis point spread above the benchmark.

A key element of J for Jobs is the provision that any construction project it funds must be built by workers covered by collective bargaining contracts.

Through June 30, there were 54 outstanding loan commitments covering buildings in various stages of construction.

These projects represent 18.53 million square feet of development, \$8.53 billion in project costs and \$3.7 billion in total financing of which J for Jobs' funding obligation is \$1.51 billion. At completion, it is estimated that these loan commitments will generate 70,992

full-time construction jobs.

J for Jobs also continued its record of outperforming the benchmark for both the preceding five- and 10-year periods on an annualized basis. Over the last five years, J for Jobs outperformed the index by an annualized 1.85 percentage points. Over the last 10 years, the fund outperformed the index by an annualized 1.78 percentage points.

Iron Workers' Joseph Hunt Named New ULLICO Chairman

Joseph J. Hunt, general president of the International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers, has been named chairman of ULLICO Inc. The action came at a regular meeting of the ULLICO board of directors in August. Hunt, a



Joseph J. Hunt

strong advocate for ULLICO's role serving the insurance and financial services needs of union members everywhere, succeeds Terence M. O'Sullivan. O'Sullivan is general president of the Laborers' International Union of North America. He had been chairman since 2003, leading a turnaround that refocused the company on its most productive lines and restored ULLICO to profitability.

One River Terrace, New York, NY:

J for Jobs approved a \$130 million (50%) participation in a \$260 million Helaba Bank led facility for the construction of a 32-story, 265 unit residential condominium building located in Battery Park City. Battery Park City has evolved into a blend of post-war rental apartments and condominiums.



One River Terrace, New York, NY



It's The Law

By Erwin Popkin

Erwin Popkin is legal counsel to the Association of Wall-Ceiling & Carpentry Industries of New York, Inc. and maintains practice in Mineola, NY.

OSHA's List of the Most Frequently Cited Standards

There were more than 9,000 cited violations of scaffolding safety standards in fiscal year 2006, making the scaffolding standard the most frequently cited safety and health standard, according to preliminary Occupational Safety and Health Administration data obtained.

In FY 2006, OSHA's standard for scaffolding general requirements (29 CFR 1926.451) was cited 9,012 times. The second most cited standard was the hazard communication standard (29 CFR 1910.1200) with 6,074 citations.

According to the preliminary data, other standards on OSHA's 10 most frequently cited list included:

- the general fall protection standard (29 CFR 1926.501) with 6,378 total violations;
- the respiratory protection standard (29 CFR 1910.134) with 4,332 total violations;
- the lockout-tagout standard (29 CFR 1910.147) with 3,659 total violations;
- the powered industrial trucks standard (29 CFR 1010.178) with 3,080 total violations;
- the wiring methods, components, and

equipment for general use electrical standard (29 CFR 1910.305) with 2,953 total violations;

- the general machine guarding standard (29 CFR 1910.212) with 2,749 total violations;
- the ladders standard (29 CFR 1926.1053) with 2,329 total violations; and
- the general electrical standard (29 CFR 1910.303) with 2,178 total violations.

Construction Commission Unveils Plans to Train City Residents as Job Schedulers

Some New York City residents will be trained as construction project job schedulers starting in November as part of a New York Commission on Construction Opportunity effort to fill positions in high demand and increase the employment of inner city residents by construction contractors.

The Borough of Manhattan Community College and the Lower Manhattan Construction Command Center chose the position for training after conducting focus groups with construction industry leaders.

"The position of job scheduler was chosen both for its opportunity for career advance-

ment and the need for job schedulers in the construction industry," said a spokeswoman for the commission which was created by Mayor Michael Bloomberg.

In addition to the job training program, the commission will initiate a mentoring program for minority and women contractors to help them obtain more construction contracts.

The training and mentoring programs stem from recommendations the commission released October 2005.

...

President signs pension reform law

Thanks to an uncommon bipartisan effort, Congress has passed and President George W. Bush has signed into law, the Pension Protection Act of 2006 (PPA). The PPA justifiably has been called the most significant pension legislation since the Employee Retirement Income Security Act (ERISA) was enacted in 1974. Although the 900 page law covers many topics that have nothing to do with retirement planning, its main purposes are to (1) shore up and protect the nation's ailing employee pension system and (2) encourage more employees to prepare for retirement by participating in 401(k) plans, IRAs, and other defined contribution plans.

Response to the legislation has been largely positive, especially in regard to its provisions on defined contribution plans. Some critics, however, charge that rather than protect pension plans, the legislation may inadvertently cause more employers to abandon them altogether.

...

In maintaining your company's I-9 filings and to sidestep potential legal trouble and discrimination complaints, follow these I-9 do's and don'ts:

1. DO require all new hires to complete and sign Section 1 on their first day of work.
2. DON'T ask an applicant to complete an I-9 prior to extending a job offer. Unhired applicants can use I-9 information to allege that you discriminated against them.

3. DO review each employee's documents to make sure they're on the I-9's list of acceptable documents and that they appear genuine. (For the list, see www.uscis.gov/graphics/formsfee/forms/i-9.htm)
4. DON'T ask new hires for any particular documents or for more documents than the I-9 requires. The employee chooses the documents, not you.
5. DO establish a consistent procedure for completing I-9s and educate your hiring managers.
6. DON'T consider the expiration date of I-9 documentation when making hiring or firing decisions.
7. DO make and retain copies of all I-9 documentation provided. (This isn't mandatory, but it's a good idea).
8. DON'T forget to keep a tickler file to follow up on expiring documents that limit the employee's authorization to work. You don't have to reverify identification documents such as driver's licenses.
9. DO keep I-9s and copies of documents for three years after the employee's hire date or one year after his termination, whichever comes later.
10. DON'T put the Form I-9 in an employee's personnel file. To protect your company against discrimination claims, keep the I-9 and supporting documentation in a separate file.

•••

The Family and Medical Leave Act of 1993 (FMLA) requires covered employers to provide up to 12 weeks of unpaid family and medical leave to eligible employees. FMLA does not supersede state laws if they provide greater leave rights to employees.

A serious health condition is among the reasons eligible employees can take FMLA leave. This includes an illness, injury, impairment, or physical or mental condition that involves either inpatient care or continuing treatment by a healthcare provider.

Employees need not ever mention FMLA to qualify for FMLA leave. An employee's sole responsibility is to communicate information sufficient to put an employer on notice that the employee has a reason for missing work that could qualify as a reason for leave under FMLA. If there is doubt whether the reason qualifies, it is the employer's duty to make appropriate follow-up inquiries.

•••

In the spring edition of "It's the Law," required filing dates for the LM019 were reviewed. This edition will discuss the reportable payments required under the Labor-Management Reporting and Disclosure Act.

Generally, any financial dealing with a union officer and/or union including making of gifts or the payments of loans with the exception of those that fall under the de minimus exception, must be reported on the LM-10.

Payments not subject to reporting include payment of wages to an employee, contribution to a jointly administered fund under a collective bargained agreement, or payment to a union of an employee's members dues and assessments.

The de minimus exemption are those unsubstantial payment to a union official unrelated to his official position aggregating less than \$250.00 by an individual employer in a reporting year.

The LM-10 must be filed within 90 days of end of the employer's fiscal year. The failure to file can result in severe civil and criminal penalties. •

Finding Value in BIM

A growing number of general contractors are seeking out resources to help them become educated on the benefits of BIM (building information modeling). Considered the next generation of modeling methods and technology for construction, BIM centers on a single project database comprised of intelligent building objects that make up the design of a facility.

Releasing the Contractors' Guide to Building Information Modeling last month, the Associated General Contractors of America, www.agc.org, Arlington, Va., is one industry organization at the forefront of this education process. The guide outlines best practices for contractors using BIM.

The AGC states BIM is making col-

laboration the top priority in the execution of a project, allowing all team members to collaborate in realtime. The online guide provides a realtime resource for general contractors, encompassing the tools necessary to further a contractor's education on the evolving 3D modeling technology. AGC's guide is comprised of, among other resources, lessons learned from some of the most prominent general contractors in the world.

Graphisoft, www.graphisoft.com, Budapest, Hungary, one of the leading providers of BIM technology, recently held its first conference devoted to Virtual Construction, which is Graphisoft's collection of products and services focused on BIM for contractors.

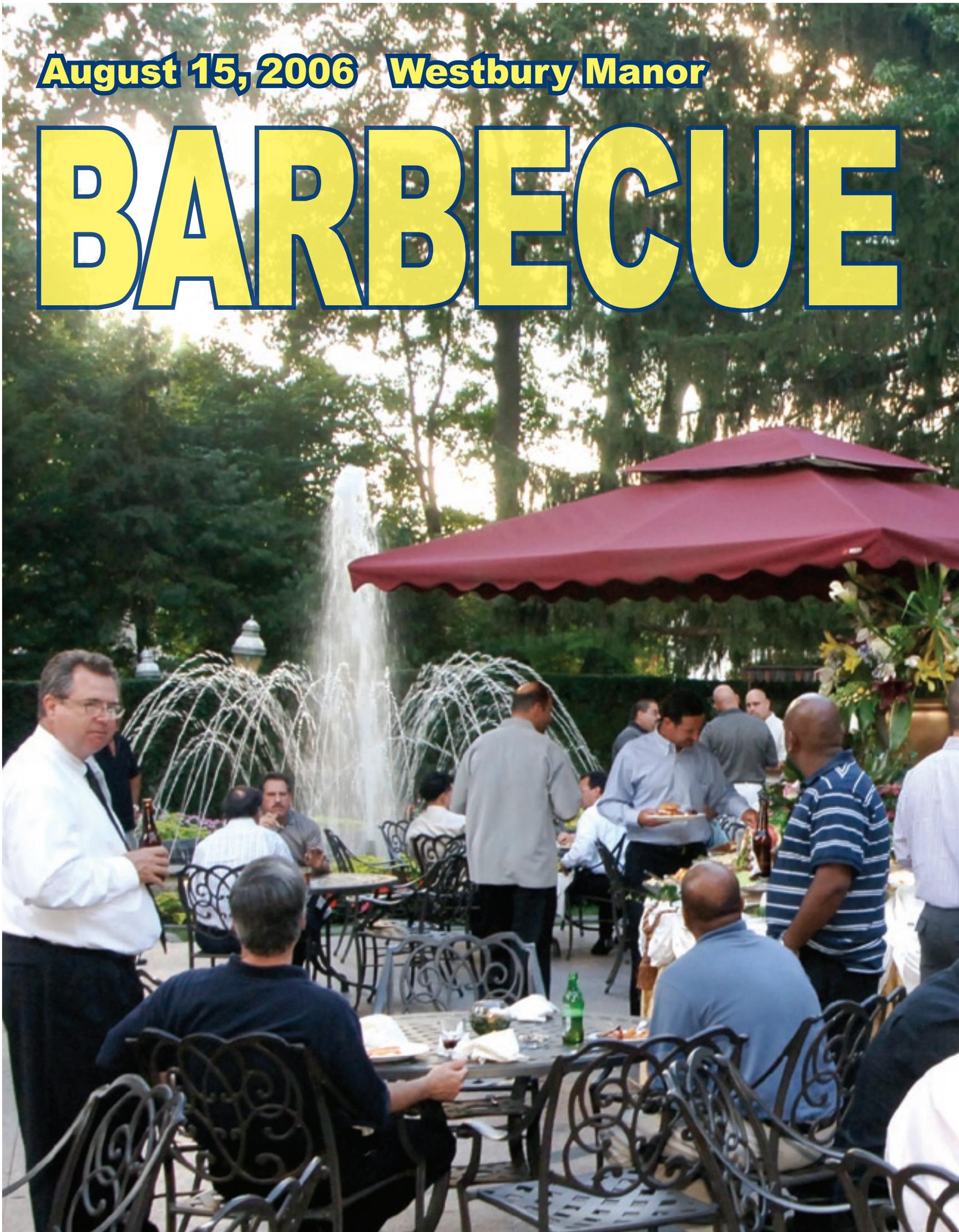
Officials at the company believe the robust turnout at the event is evidence of the fact more companies are interested in BIM with many already achieving bottomline results

"I recognize that Virtual Construction saves us money and time by allowing us to verify our direction, and solidify the design at a very early stage," says Paul Case of Urban Building Inc.

Case, who attended the conference in Budapest in September, was referring to the company's recent 185,000-sq.ft. project in Los Angeles. He says implementing Virtual Construction allowed the company to cut project costs by \$2.5 million, while reducing the schedule by four months. — CONSTRUCTECH

August 15, 2006 Westbury Manor

BARBECUE



2006



[More photos...](#)









Amvic Launches NEW AmDeck™ Floor & Roof System

Amvic Building System recently launched the innovative NEW AmDeck™ Floor & Roof System that is unmatched in the industry. The system is perfectly suited for use with Insulated concrete Form (ICF) construction, but can be used independently with other wall systems.



AmDeck™ implements full 10 inch deep lightweight steel joists to support construction loads. As a result, the shoring requirements are minimized and can be placed up to 20 feet on center. This is 4 times less than the shoring required for competing products which results in significant cost savings.

One-way concrete floor/roof joists formed with this system can span approximately 30-35 feet. Spans greater than 40 feet can also be easily achieved using higher strength concrete and post-tensioned reinforcing cable strands.

Unlike many competing products, the Amvic system is assembled using small, standardized, lightweight modular units. This makes the system much easier to use and handle.

The Expanded Polystyrene (EPS) used in the decking system also provides built-in continuous thermal insulation and reduces noise travel from one storey to another.

Overall, the system is very well engineered and easy to use. For more information call 1 877-470-9991 or visit the website at www.amvicsystem.com.

New Additions To Armstrong's Natural Creations™ Line Of Luxury Vinyl Tile

Unleash your imagination with Armstrong's NATURAL CREATIONS luxury vinyl tile. This collection will embody three different, unique product lines – ArborArt, EarthCuts and Mystix.

Wood. Stones. Patterns. Each of our three selections has its own distinctive characteristics, colors and applications, yet all have been styled to work together to create virtually endless and innovative floor designs. And, it's a winner of a 2006 ADEX Platinum Award for design excellence.

NATURAL CREATIONS ArborArt™ (formerly Woods Collection)

The art of authentic-looking wood visuals. NATURAL CREATIONS ArborArt features traditional, exotic and rustic wood visuals that deliver the warmth and appeal of natural hardwood with all the advantages of commercial resilient flooring.

- * Uniquely captures the defining characteristics of each wood species with keen attention to detail.
- * Thirty-five visuals display 23 different species in an array of light medium or dark wood tones.
- * Natural wood graining and color variations clearly convey each wood's true character.
- * And, embossed visuals – wood tick, rustic, barn side and saw cut - display a texture inherently found in natural wood planks.

NATURAL CREATIONS EarthCuts™

The classics portrayed in realistic stone visuals. NATURAL CREATIONS EarthCuts features an array of some of the most inviting and unique stone visuals that appear newly chiseled from the earth.

- * A range of colors that provide a warm, natural environment to any space
- * Nine visuals, including slate, limestone and granite, display 20 different light, medium and dark natural tones.
- * Natural surface characteristics and color variations clearly convey each stone's true character. Embossed visuals display a texture inherently found in natural stone.

NATURAL CREATIONS Mystix™

Designing a floor has never been so fun. NATURAL CREATIONS Mystix is our collection of current styles, visuals and colors created to reflect the interior design trends of our times. Mystix includes dramatic wood, metal, stone and patterned tiles all styled to express the ultimate fashion statement within your space.

- * Five visuals encompass 25 different colors representing current and ascending movement in interior design.
- * Strip bamboo in natural tones and plank bamboo playful primary colors.
- * Colored stones and geometric patterns that mix well for a truly innovative floor design.

All three collections have a UV-cured urethane coating that provides low maintenance options.

Bil-Jax Adds Options and Accessories to Summit Series

Bil-Jax's hydraulic jib rotator provides 180° of horizontal jib rotation for the articulating Summit Series models.

Further expanding its product offerings, Bil-Jax, Archbold, Ohio, has introduced a broad selection of options and accessories for its new trailer-mounted aerial lifts, the Summit Series™.

Bil-Jax's new pallet fork option, which is scheduled for release this fall, joins the previously introduced material-lift hook option to enhance the Summit Series' material-lifting capabilities. With the pallet fork in place, the Summit Series towable boom lifts are converted to light-duty, trailer-mounted reach forklifts with a 500-pound unrestricted capacity throughout the machine's entire range of motion. All models equipped with the pallet fork or material-lift hook feature a load management system that provides information in either pounds or kilograms on the display panel located at the ground control station.



The hydraulic jib rotator is another option available for the articulating Summit Series models, which currently includes the 3522A, 4527A, and 5533A models. Adding a new dimension of platform-positioning capability for towable boom lifts, the hydraulic jib rotator provides 180° of horizontal jib rotation. According

to Bil-Jax, no other North American manufacturers are currently offering this capability on their trailer-mounted boom lift models. Production of the hydraulic jib rotator was scheduled to begin in August.

Operators can drive and set-up the machine without leaving the platform while it's in a stowed position.



The drive-and-set package is available for all Summit Series models, providing convenient, powered maneuverability on improved surfaces. Operators can drive and set-up the machine without leaving the platform when it is in the stowed position. Maximum drive speed is between 1.25 and 1.5 mph, depending on the model. For example, the 5533A's larger drive system can be driven at 1.5 mph while the smaller drive system on the 3522A can be driven at 1.25 mph. Maximum gradeability for the drive-and-set feature is between 30% and 35%, which also depends on the size of the model.

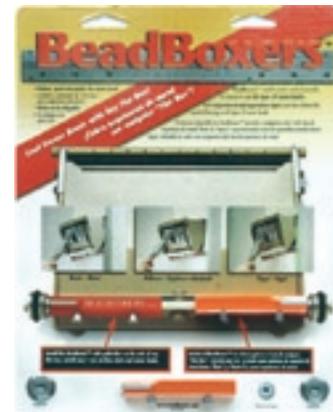
For more information, visit www.biljax.com.

BeadBoxers™ Retrofit System For Flat Boxes

BeadBoxers™ retrofit system makes it possible for anyone to coat all types of corner beads using a flat box. Both experienced and apprentice tapers can now achieve the speed of boxing on all types of

corner beads.

BeadBoxers™ patent-pending retrofit kit for flat-boxes allows tapers to 'hook and go' on corner beads. Once BeadBoxers™ are installed, simply hook the box on the corner



bead (as shown at right) and the flat-box will self-guide down the corner bead, making a perfect corner, and saving hours!

Benefits include:

- * Box quality finishing for all types of beads
- * Save hours of time over hand-coating
- * BeadBoxers™ pay for themselves in hours.
- * Apprentice tapers can coat corner beads perfectly with little practice.
- * One-time installation on the flat box- use on flats and corner beads.
- * BeadBoxers™ are warranted for 90 days after date of purchase from manufacturing defects.

For information go the company website at www.beadboxers.com.

CEMCO's Research and Development Team Develops New Load-Bearing Clip!

From CEMCO's in-house R & D team of engineers, comes a new, innovative solution to extreme load-

Continued on following page

PRODUCT NEWS

ing conditions sometimes incurred in low-rise buildings. In conjunction with the Anning-Johnson Co. and Ficcadenti Waggoner, and Castle Engineers, CEMCO has developed a 'Super-Clip' capable of manag-



ing large axial loads in top-of-wall applications for floor systems. The patent-pending Super-Clip is designed to accommodate these

extreme loading conditions, while simultaneously maintaining the pre-spaced joist pattern demanded by the contractor in the field.

First conceived by Gary Truesdill of the Anning-Johnson Co., this new product was initially designed by Tom Castle of Ficcadenti Waggoner and Castle. Once their initial design was submitted to Georgi Hall, Director of Engineering at CEMCO's Pittsburg, California R & D facility, a rigorous engineering and testing program was quickly drawn up and executed. Following CEMCO's uncompromising reputation for quality and performance, Hall's engineering staff analyzed, tested, re-analyzed and re-tested for over three months until each of these new prototypes performed beyond their initial expectations.

Finally, once all parties were satisfied with the results, the Super-Clip program was put into place. Several projects have taken advantage of these new clips, and with outstanding results! For more information about this or any other CEMCO products, please contact your local CEMCO sales representative at 800-775-2362.

CGC Introduces 2 New Products

New 3-Dimensional Ceiling Panels

New Billo™ 3-Dimensional Ceiling Panels from CGC Inc. transform traditional, flat ceiling planes into wave shapes, adding rhythm and depth to interiors.

The Billo system consists of 2-by 2-foot pre-formed, lightweight LEXAN® infill panels, which can be



installed either curving upward toward the ceiling or downward toward the floor, permitting a myriad of patterns from just

one simple shape.

Billo panels install easily into 9/16-inch narrow profile and standard 15/16-inch Donn® Brand Suspension Systems, providing full accessibility. They can be integrated into flat-panel ceilings to create dramatic focal points.

Features and Benefits

- * Organic, 3-dimensional panels punctuate flat ceiling planes with rhythm, depth and sparkle to create eye-catching focal points.
- * 2' x 2' pre-formed LEXAN® panels create myriad patterns with just one simple panel shape.
- * Lightweight, lay-in panels install into 9/16" narrow-profile and standard 15/16" DONN® Brand suspension systems, allowing full ceiling accessibility.
- * Luminous panels may be backlit with fluorescent strip fixtures or integrated with standard lay-in fixtures. The product is recommended for all applications.

NewTUFF-Hide™ Primer-Surfacer Coating

Introducing TUFF-HIDE™ Primer-Surfacer a dual-purpose vinyl acrylic latex-based coating designed especially for interior application over new drywall. In a single spray application it provides the same results achieved



using a typical two-step process of skim coating surfaces with joint compound followed

by a coat of primer. In a GA-214/ASTM C-840 Level 5 gypsum board finish, TUFF-HIDE Primer-Surfacer is used in lieu of a skim coat of joint compound and paint primer coat to provide the highest quality drywall finish. In ceiling applications where a flat white finish is desired, TUFF-HIDE Primer-Surfacer can be left unpainted, providing an ideal final finish.

Features & Benefits

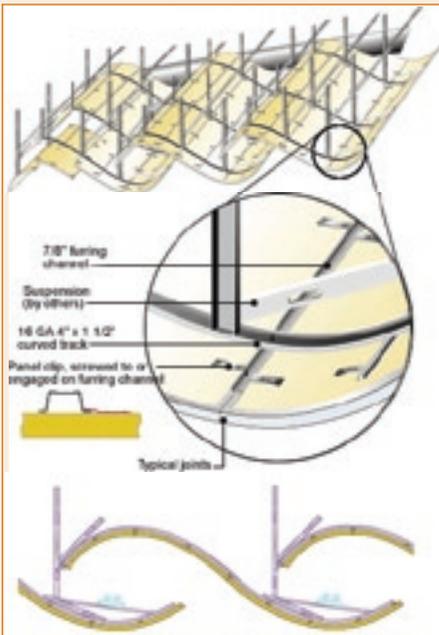
- Skim coats and primes new drywall in a single spray application.
- Use in lieu of skim coat and primer coat in a Level 5 gypsum board finish
- Minimizes callbacks caused by joint banding and photographing
- Installed cost savings versus traditional separate applications of a skim and prime coat
- Durable coating hides minor surface defects
- Ensures smoother finished walls and ceilings than by simply using a drywall primer

For more information on both of these products visit www.cgcinc.com.

New From Decoustics: Claro — A Ceiling Sound Absorbing Coating With The Appearance Of Drywall Or Plaster

Claro is an acoustically transparent coating with the classic appearance of drywall or plaster, and yet incorporates superb sound absorbing properties on acoustic panels.

Decoustics acoustical panels provide architects and designers with wide latitude in curvilinear design. S-Shape or Wave pre-curved ceiling panels are a unique way to create dramatic visual expression without the problems of sound focussing and reflection normally associated with traditional hard surface finishes such as gypsum board, plaster, glass reinforced gypsum (GRG), fiber reinforced polyester (FRP), or wood.



Panels consist of two-dimensional pre-curved units that utilize one or two radii (inside and outside) throughout the curve. Interesting visuals are possible due to the distinctive shapes that can be achieved with these panels.

A variety of mounting methods can be employed depending on plenum access requirements, available substrate, plenum clearance, and panel joint preference. e.g. defined, closed reveal or open reveal.

PANELS

All Decoustics panels are custom fabricated and offered in a variety of types, sizes, geometric shapes, thicknesses and finishes.

LIMITATIONS

Minimum radius is currently 24" (610 mm). Contact Decoustics regarding availability of smaller radii.

DESIGN CONSIDERATIONS

The panels alone can form the S-Shape or Wave without the need for a curved substrate. If, however, a curved substrate already exists, panels can be directly mounted to it.

Depending on panel radius and thickness, exposed darting at corners may result with

some fabric finishes. Darting will always be visible with vinyl finishes. Contact Decoustics for specific information.

It is recommended that curved panels have joints where the radius changes from inside to outside.

Extruded aluminum metal edges are preferred for joint detail alignment and handling. Contact Decoustics for best finishes to use with specific lighting.

For more information visit www.decoustics.com/ceilings

Ansi Approval For WDMA Flush Doors Standard Granted

The American National Standards Institute (ANSI) granted approval to the recently revised Window and

Door Manufacturers Association (WDMA) standard I.S.1A-04 Industry Standard for Architectural Wood Flush Doors. WDMA holds and maintains ANSI-approved standards for both architectural wood flush doors (I.S.1A) and architectural stile

and rail doors.

The American National Standards Institute (ANSI) granted approval to the recently revised Window and Door Manufacturers Association

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(WDMA) standard I.S.1A-04 Industry Standard for Architectural Wood Flush Doors. WDMA holds and maintains ANSI-approved standards for both architectural wood flush doors (I.S.1A) and architectural stile and rail doors (I.S.6A-01, Industry Standard for Architectural Stile and Rail Door.) There can only be one ANSI-approved standard in a specific area.

“Approvals such as this continue to showcase the credibility and influence of WDMA as a recognized standards authority,” said Joel R. Hoiland, CAE and president, WDMA. “This is quite a significant accomplishment for our organization, as specifiers look for ANSI approval in the product selection process. ANSI-approval is achieved through an exhaustive ballot process, and is granted only after individuals in the industry, including designers, architects and specifiers as well as users, have reached a consensus.”

I.S.1A was revised and revamped several years ago to shift the specification to performance-based requirements as opposed to prescriptive criteria, making it more applicable in real-world construction. The standard established Performance Duty Levels that assist the user in finding and installing the right door, based on their conditions of use. Other selected highlights of the standard: the addition of Low Pressure Decorative Laminate as a face material; an updated section on the advantages of Factory Finishing versus Field Finishing; an explanation of Positive Pressure fire doors and how to differentiate them from neutral pressure doors; and an updated face veneer chart, published in collaboration with the Hardwood Plywood and

Veneer Association, Reston, Va. Copies of the standard are available at www.wdma.com or phone 847-299-5200.

LaserMark® IImxt From Cst/berger Interior-Exterior “Hi-powered” Laser Layout Tool

The ILMXT is an ideal laser line layout tool for both interior and exterior applications. Easy-to-use operation



features horizontal (level) and vertical (plumb) for both interior and exterior jobs, as well as laser

cross and manual mode for interior applications. Outdoor “Pulsing” Mode feature provides easy range is over 100-ft when used with detector.

Features include:

- * Outdoor “Pulsing” Mode allows unit to be used with laser line

detector.

- * Extra bright laser diodes for extend range over 100 feet
- * Robust over-molded housing and impact resistance angle window for extended vertical plumb line and durability.
- * Heavy Duty Gimbal magnetically dampened compensator eliminates error by quickly self-leveling the laser
- * Out-of-leveling range sensor triggers the beams to automatically shut off when the unit is moved out of its $\pm 5^\circ$ self-leveling range.
- * 130° fan angle with line length up to 100-ft at 30'

Use for: decks and patios, outdoor leveling, cabinets and shelving, drop ceilings, wainscoting and paneling, remodeling projects, wall hangings: machinery, pipe and conduit, floor and wall tiles, interior decoration.

LaserMark® ILMXT Packages

Includes 3- “AA” Alkaline batteries, hard-shell carrying case, and instruction manual.

For more information visit www.cstberger.com.

Shopping Center Construction Soars

Construction spending for shopping centers and other multi-retail buildings has increased 50% over the last year and has more than doubled during the current building expansion cycle. These buildings are now 60% of total retail construction, up from 35% at the end of the last building expansion in late 2000. The category includes regional malls, neighborhood shopping centers and discount department stores. Over the same period, construction spending for traditional stand-alone retail stores has dropped about \$1 billion.

— Reed Construction

When Employers Get Drug Advice, Price Can Be Steep

from The Wall Street Journal

Some consultants who advise employers on prescription-drug benefits have come up with a way to earn a lot of money...without charging their clients anything directly. The fees come instead from the same pharmacy-benefit managers, or PBMs, whom the consultants are scrutinizing. It is another example of how health-care middlemen can reap profits even as employers and patients face big cuts.

PBMs administer drug benefits for employers and negotiate prices on drugs. Employers want to be sure their PBM will battle hard to get the best prices, and they sometimes turn to consultants for help in picking one.

Last year, the United Brotherhood of Carpenters and Joiners of America, which represents more than 500,000 workers, retained consultant Pharmaceutical Strategies Group of Irving, Texas. In December, the union chose Medco Health Solutions Inc., one of the big three companies in the PBM field.

Medco agreed to pay 25 cents to the consultant for each prescription union members filled. Because of the union's size, that deal could bring Pharmaceutical Strategies more than \$1 million over the three-year contract - more than the consultant would typically earn if it charged an employer or union directly, people in the industry say.

The carpenters' union contract allows Medco to pay retail pharmacies one price for a drug but charge the union a higher price. Under the contract, when union members fill a prescription they sometimes must pay an out-of-pocket charge that exceeds the cost of the drug being prescribed. The contract also limits the union's rights to audit its drug bills to see if it is getting a good deal.

A Medco spokeswoman said, "Pricing provisions in this contract were at the discretion of the client." She said that

in general, "audit rights are subject to negotiation."

Tim Watson, a principal at Pharmaceutical Strategies, says clients choose how they want to pay for his firm's services, and the per-prescription method isn't necessarily more expensive. "It's a funding mechanism is all that it is," Mr. Watson says. "It's up to clients on how they want to work with us. Some clients want a straight retainer, some want the administrative fee paid by the PBM."

Mr. Watson says clients are getting their money's worth. "If you paid us \$500,000 and we saved you \$50 million, how do you feel about the \$500,000?" he asks.

In an emailed statement, the carpenters' union concurred with Mr. Watson's analysis, saying it expects to save more than \$30 million under its new prescription-drug program and is "extremely satisfied" with it.

One blue-chip client of Pharmaceutical Strategies is Exelon Corp., an electric utility in Chicago with 17,000 employees. A 2003 internal document from a consult-

ing firm later purchased by Pharmaceutical Strategies says the firm received revenue of \$629,012 from a PBM, Caremark Rx Inc., of Nashville, Tenn., in connection with the Exelon business. The document doesn't specify a time period. Exelon's head of health benefits, Carole Schecter, says the company ended the arrangement last year and now pays Pharmaceutical Strategies directly. The company declined to discuss its reason for the change, and Caremark declined to comment.

The Cleveland Clinic Health System, which employs workers at 12 Ohio hospitals, still has the per-prescription arrangement, according to Estay Greene, director of pharmacy benefits. A document from Pharmaceutical Strategies to PBMs seeking the clinic's business says PBMs should pay the consultant 45 cents a prescription, an amount Mr. Greene declined to confirm. The clinic's PBM is currently Caremark.

Mr. Greene says he counts on the consultant because it is "constantly monitoring" the PBM. "We operate 10 different plan designs," he says. Without the service, "I would have to hire another full time person."•

GREEN GAINS

The benefits of designing and building energy efficient facilities continue to resonate across the industry. Leading organizations across construction continue to cite quantifiable results to support green construction.

A new report issued by the American Institute of Architects (AIA), www.aia.org, Washington, D.C., shows constructing energy-efficient schools can lower operating costs and add greater benefits to the students within these facilities. "Greening America's Schools," produced by consulting firm Capital E, www.cap-e.com, Washington, D.C., and cosponsored by the AIA, shows environmentally friendly schools can save owners an average of \$100,000 each year. —CONSTRUCTECH

Union Sites Safer In OSHA Data

A recent U.S. Occupational Safety and Health Administration analysis of data for construction projects across New York City found that nonunion employer-run sites have a markedly higher rate of violations and fatalities than sites handled by union contractors.

“While it’s hard to say that one site is safer than another site, I do think that there is a greater prevalence of dangerous conditions, and a commensurate higher number of fatalities, on nonunion sites,” said Richard Mendelson, Manhattan area director for OSHA, who ran the analysis on a request by New York Construction.

Compiling data between October 2001 through June 2006 for inspections, violations, and fatalities at construction projects, the agency issued an average of 3.3 violations per inspection to nonunion employers. For union contractors, the average was 1.5 violations.

During that time frame, the agency recorded data on 96 construction-site fatalities. Of those deaths, 68, or 71 percent, were at sites run by nonunion employers, while the other 28 victims were employees of union contractors. The analysis did not encompass non-fatal accidents.

In addition, the OSHA analysis found that the in-compliance rate, which reflects site inspections that result in no citations, was 43 percent for union employers and only 18 percent for nonunion employers. While 11 percent of the union sites with inspection violations were cited for items that would not result in serious physical harm or death, which OSHA terms “other-than-serious violations,” only 3 percent of the nonunion sites that had violations were cited for less-serious infractions.

OSHA, which spends around 70 percent of its resources on the construction industry, inspected 3,286 sites during the 4.5-year timeframe covered by the data. Of those, 33 percent were projects run by union employers and 67 percent had nonunion contractors. Mendelson said the agency targets inspections in areas where dangerous construction site conditions are most likely to occur, such as brownfield redevelopment jobs, gut renovations, and new construction in upzoned or downzoned areas. It does not target sites based on union affiliation.

Mendelson said the agency tends to find more dangerous conditions at sites run by small contractors established as limited liability corporations; sites that use day laborers, who are often untrained in basic safety requirements and unlikely to report unsafe conditions; and sites that lack dedicated safety inspectors.

— *New York Construction*

Osha Unveils New Safety And Health Topics Page

WASHINGTON -- The Occupational Safety and Health Administration (OSHA) today launched a new topics page on its Web site aimed at demonstrating that investment in workplace safety and health makes good business sense.

Making the Business Case for Safety and Health, a new Safety and Health Topic, is a product of several Alliances with OSHA, including the American Industrial Hygiene Association, American Society of Safety Engineers, National Federation of Independent Business, among others. Information on the page focuses on how a comprehensive safety program can help an employer save money and improve business.

“OSHA continues to seek ways to offer services and programs that assist and guide employers on the responsible path to occupational safety and health,” said OSHA Administrator Ed Foulke. “This new Safety and Health Topics page serves as a ‘one stop shopping’ tool for information on how investing in workplace safety and health can improve a company’s productivity and bottom line.”

The Making the Business Case for Safety and Health Topics page contains direct links to resources showing the costs of workplace injuries and illnesses, economic benefits of workplace safety and health, and how accounting for employee safety in the design stage of a project can result in fewer injuries and illnesses and increased productivity.

The Topics page has a number of additional resources, including success stories, case studies and tools for getting started on improving safety and health in the workplace.

OSHA’s Web site includes approximately 200 Safety and Health Topics pages on various workplace issues—from accident investigation to workplace violence. The subjects of the pages include specific workplace hazards, as well as individual industries, and provide assistance for complying with OSHA standards.

OSHA Accepting Applications For New Voluntary Protection Program In The Construction Industry

WASHINGTON -- The Occupational Safety and Health Administration (OSHA) announced that employers in the construction industry may begin applying for participation in OSHA's newest component of its premiere cooperative program — the VPP Mobile Workforce Demonstration for Construction. Eligible applicants include those who operate within the construction industry and have been in continuous business for at least three years.

The initiative was first announced in July by OSHA Administrator Ed Foulke at the Associated General Contractors of America (AGC) Safety and Health Committee mid-year meeting in Denver. Foulke said the program “offers construction employers with mobile construction workforces and short term projects the same opportunity for recognition that fixed-site employers receive” and “recognizes those construction companies that should be held up as models of safety and health for the rest of the industry.”

While the core of the new program continues on the principle of effective safety and health management systems, there are important differences as compared to site-based VPP participants. For example, applications are acceptable from a corporation, or from a division or business unit within that corporation. Additionally, companies can use an Applicant Participation Plan to note safety and health policies and procedures that differ from established VPP requirements. There is also a requirement for a prescreening/oversight process that verifies corporate policies and procedures are being effectively implemented at all worksites.

The Demonstration program involves a two-phased OSHA verification process: (1) a review of safety and health management system policies and procedures, plus management's commitment to safety and health and VPP; and (2) a visit to one or more worksites to deter-

mine the successful implementation of the corporate policies and procedures, and to verify employee involvement.

The new program is based on the agency's VPP experience as well as successes garnered through the construction-related Mobile Workforce and Short-Term Construction Star Demonstration Programs. Construction industry VPP participants in 2005 enjoyed total case incident rates (TCIR) and days away from work, restricted, or transfer (DART) rates more than 60 percent below their industry average.

Details on applying for the Demonstration program are available on OSHA's Voluntary Protection Programs

Web site; interested parties are also encouraged to contact OSHA's Regional VPP managers for assistance in the application process.

Under the Occupational Safety and Health Act of 1970, employers are responsible for providing a safe and healthful workplace for their employees. OSHA's role is to assure the safety and health of America's working men and women by setting and enforcing standards; providing training, outreach, and education; establishing partnerships; and encouraging continual process improvement in workplace safety and health. For more information, visit www.osha.gov.

OSHA: 2005 Workplace Injury And Illness Rates Lowest On Record

The rate of workplace injuries and illnesses in the private industry declined in 2005 for the third consecutive year, the Department of Labor's Bureau of Labor Statistics (BLS) reported Thursday, Oct 19. The BLS Workplace Injuries and Illnesses in 2005 report noted that nonfatal workplace injuries and illnesses declined from the previous year—to 4.6 cases per 100 workers in 2005, compared to 4.8 cases in 2004. Secretary of Labor Elaine L. Chao issued the following statement about the report:

“The announcement that workplace injuries and illnesses in 2005 were at an all-time low is more good news for America's workers and reflects the department's effective worker health and safety strategy: 1) compliance assistance; 2) health and safety partnerships with labor, and; 3) targeted, aggressive enforcement against bad actors.

“As encouraging as the report is, there is more to do and the department is working hard to make workplaces even safer and healthier for America's workers.”

Brooklyn's Best Berth



Architect Bermello Ajamil and construction manager Turner lead a team that converts a former salt depot into a cutting-edge passenger terminal for the world's most famous ocean liners.

By Matthew Phair from Constructioneer

New York City has a long legacy with cruise ships. Now after a decades-long lull, the cruise industry is back and stronger than ever. Nearly 900,000 passengers came through Manhattan's New York Cruise Terminal in 2004, up from an average of 400,000 in the 1990s. In 2006 expectations are to exceed 1 million passengers, the most in the city's history, making it the third-largest cruise market in the United States. Volumes are further forecasted to increase to 1.5 million passengers by 2017.

In April 2004, New York Mayor Bloomberg's administration reached historic agreements with two of the world's largest cruise companies, Carnival Corporation and Norwegian Cruise Lines. It called for them to bring at least 13 million passengers to New York City through 2017 and to pay the city at least \$200 million in port charges to support the city's investment in improving its cruise facilities.

The plan to re-strengthen the cruise industry included Brooklyn, now the city's latest port of call. The agreement with Carnival Corporation enabled the company to make Brooklyn its berth of choice in the New York region for its Princess and Cunard lines. The lines relocated former ship calls from the New York Cruise Terminal on the west side of Manhattan to Pier 12 in Red Hook.

The just-completed \$45-million Brooklyn Cruise Terminal hosted its first-ever cruise ship in April with the arrival of the R.M.S. Queen Mary II, up until recently the world's largest passenger cruise ship at 1,132 feet long. (Sixty years ago, Manhattan hosted the original Queen Mary for the first time.)

The Brooklyn Cruise Terminal is located along the Buttermilk Channel, directly across from Governors Island with views of Lower Manhattan and the Statue of Liberty. The pier itself is 880 feet long, and the entire terminal site is approximately 15 acres, including dedicated passenger pickup/dropoff areas and space for about 600 cars. The terminal, created under the auspices of the Economic Development Council, is 12 miles from LaGuardia Airport, 16 miles from Newark International Airport and 20 miles from JFK International Airport.

The new, 182,000-square-foot terminal is the first in the New York market to be designed spe-

cifically to accommodate the largest cruise ships, which carry up to 4,000 passengers. It is expected to receive about 40 ships in its first year.

The architect for the new terminal is Miami, Fla.-based Bermello Ajamil & Partners, a leading cruise facility designer. Under the leadership of principals Willy Bermello and Luis Ajamil, B&A provided master planning, design and engineering of enhancements for New York City's cruise facilities. Turner provided construction management services on the Brooklyn project.

In April 2004, Mayor Bloomberg announced the city's \$200-million Master Plan to create three modern cruise ship berths at the New York Cruise Terminal and one berth in Brooklyn in the next four years. B&A developed this long-range master plan for the phased re-development of the terminals, piers and ground transportation areas.

In Brooklyn, construction work began in March 2005.

"The pier was in bad shape so we had to strengthen it in a few places," says Ajamil. "Rather than replace it we need to strengthen it by coming up with a new fendering system." After cutting out five 10-foot-by-10-foot sections, five new independent fendering structures were built. Piles were driven, the deck was matched and then the mooring fenders were put in.

"So when the ship touches, the ship is only touching the five fenders," says Ajamil.

In addition to this \$6 million in marine work, utilities had to be redone, a new power substation installed, and new water and sewer lines installed. Total site civil costs weighed in at about \$3 million.

With up to 4,000 people getting on or 4,000 people getting off, "the gangway systems were critical," adds Ajamil. B&A ultimately specified two gangway systems that automatically go up and down with the tide. Costs were about \$4 million for the two glass-enclosed passageways. The remaining \$32 million is going towards the building.

"With the continuing development and delivery of larger vessels to the worldwide fleet, we can no longer expand the footprint of the terminal building to accommodate more passengers," says Mark H. Ittel, Director, Ports & Maritime at Bermello. "RCI and NCL have set the bar high with the newest orders for ships of more than 6,000-passengers set for delivery as early as 2009. Working with ports and cruise line stakeholders to develop the technology and operations to move passengers through facilities designed for these larger ships within a reasonable building footprint and ground transportation area is a key to future cruise terminal development."

Based on current projections of the industry's growth, it is anticipated that an additional berth will be needed in Brooklyn within the next five years. •

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