

2020 NATIONAL POLICY AGENDA





The background of the page is a photograph of a demolition site. In the foreground, there is a large, messy pile of broken concrete blocks and bricks. In the mid-ground, a yellow excavator is visible, its arm and bucket partially obscured. The background shows some green foliage and a clear sky. The overall scene is one of active demolition work.

ABOUT NDA

The National Demolition Association (NDA) is a non-profit trade organization representing approximately 500 U.S. and Canadian companies and many international firms that are involved in the demolition process. Membership includes demolition contractors, general contractors, civil engineering firms, and recycling, landfill and architectural salvage operations. The association's efforts help members stay abreast of environmental, regulatory and safety matters, keep regulators informed about issues facing the industry, increase public and industry awareness, and provide members with networking opportunities and information on the latest technical advances in equipment and services. For more information on NDA, please visit www.demolitionassociation.com.

DEAR POLICYMAKERS:

As Congress and the Trump Administration consider policies that will sustain economic growth, ensure workforce safety, and further environmental stewardship, the United States demolition industry is ready and willing to work with policymakers to strengthen our industry and do our part to stimulate jobs and grow business and the economy in the United States.

Lawmakers are focused on ensuring what is best for the American workforce overall, however, decisions are often made with only the large corporations in mind. The members of the National Demolition Association (NDA) represent small to medium-sized businesses that are often impacted by decisions at the federal level.

NDA believes policymakers and the Administration should balance the needs of small business owners with the regulations that impact demolition. Unreasonably burdensome taxes, excessive regulations on labor and human resources, and uncertainty in healthcare are just some examples of issues that gravely impact our members who have the right to determine, within the boundaries of the law, what is best for their employees and organization. These policies hinder our members' ability to create jobs and stimulate growth for our economy.

NDA members are proud to support reasonable federal regulations, worker safety and environmental stewardship. As an industry, we establish checks and balances to ensure demolition professionals are safe and accounted for at our job sites, and we are dedicated to providing high quality products and services that aid in curbing our society's impact on the environment. NDA members are business owners actively interested in aiding our country's economic growth and are ready to work with lawmakers and regulators to ensure economic success for years to come. The enclosed policy positions outline the top priorities of the demolition industry for 2020. We look forward to working with you to create meaningful demolition jobs this year and beyond.

Sincerely,

Chris Godek, President
National Demolition Association

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WORKPLACE SAFETY & HEALTH

The National Demolition Association (NDA) is committed to the safety and protection of workers at all times and takes that responsibility seriously. NDA member companies have an excellent record of providing a safe environment and work with government officials regularly to mitigate hazards. Laws and regulations relating to demolition safety are necessary but should remain practical and not impose undue burdens on industry practitioners. In particular, we believe that the Occupational Safety and Health Administration (OSHA) has a responsibility to balance regulations that provide for a safe and healthy work environment while considering effects on small businesses. OSHA should focus on achieving a more efficient workforce and minimal workplace injuries by promoting approaches to safety and health through partnerships with employers who take safety programs seriously, while making sure enforcement violations are tailored to non-compliant companies. OSHA and other federal agencies must fully consider the costs and benefits of proposed regulations prior to proposal to ensure that federal and private resources are utilized efficiently to improve safety.

- NDA appreciates OSHA's efforts to address ongoing concerns with the final rule regarding respirable crystalline silica in construction.
- NDA supports reasonable efforts by the government to address harmful exposure levels to substances, such as crystalline silica, and believes the government should consider the economic effects of the silica rule and others, proposed and not proposed, on the demolition industry as it pursues protections.
- NDA continues to urge OSHA to consider the specific challenges faced by the demolition industry and to work collaboratively in an effort to ensure that demolition contractors are not unfairly burdened.
- NDA supports efforts to address the health of workers, including from exposure to harmful levels of toxins. Government action must be grounded in sound science, sustainable and a proven benefit to the public.

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- NDA is committed to providing industry expertise to ensure rules and standards are workable and effective, such as the Crane and Derricks Standard.
 - NDA supports an employers' right to screen employees for substances that pose a risk to the worksite and other employees. Drug testing greatly improves workplace safety — a priority for the demolition industry — and reduces worker's compensation costs.
 - NDA opposes overly burdensome recordkeeping requirements that unduly burden small businesses. Government regulations should balance effective safeguards with feasibility and fairness to the regulated community.



LABOR & HUMAN RESOURCES

NDA member companies firmly believe that employees and employers are the best parties to determine issues ranging from wages and working conditions, through either individual or collective bargaining, within the boundaries of the law. The employer is responsible for observing the welfare of the employee and there must be adequate compensation for work performed. On the same note, NDA believes that the employee has an obligation to perform work in a satisfactory manner. Over time, government policies have steadily increased the administrative costs on employers and new regulations must consider this reality when proposing additional burdens. Lastly, NDA opposes regulatory changes that would cause workers to be erroneously reclassified as non-exempt employees when under the duties test, within the context of the demolition industry; they clearly qualify as exempt employees. Salary thresholds for distinguishing between exempt and non-exempt employees should serve as a bright-line test and should take into consideration the variations in compensation, geographic region and industry sector.

- NDA opposes regulatory efforts to reduce the amount of time employers have to communicate with their employees between the time they learn that a union is trying to organize the workforce and the election.
- NDA supports legislation guaranteeing an employer's ability to participate in a fair union election and ensuring employees are able to make fully informed decisions about joining a union.
- NDA opposes the dramatic expansion of the traditional test for joint employer status in which a company must exercise "direct and immediate control" over an employment relationship.
- NDA believes that secret ballot elections should be preserved and are the fairest way to guarantee the rights of employees to freely choose whether or not to be represented by a union.

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- NDA opposes efforts to institute mandatory binding arbitration in union representation disputes and other efforts that would restrict employers' ability to freely communicate with their employees regarding union representation.
 - NDA opposes federal regulations requiring private employers to post notice in the workplace advising employees of their right to join a union.
 - NDA supports long-held disclosure standards concerning communications with outside consultants regarding labor union activities.
 - NDA supports government policies addressing the shortage of qualified candidates for high-skilled jobs by improving the STEM (Science, Technology, Engineering and Mathematics) education system and other efforts to increase the pool of qualified candidates for technical jobs on demolition sites.
 - NDA opposes the expansion of the Family Medical Leave Act (FMLA) and other government mandates that eliminate employers' ability to negotiate flexible leave policies with their employees. A fair and considerate leave policy should be between employers and their employees.
 - NDA opposes any increase to the overtime pay eligibility threshold that does not factor into consideration regional variations in wages and cost of living, would decrease workplace flexibility, or make it more difficult to develop future managerial talent.



TAX POLICY

A fair and workable tax code is essential to the success of American business. Federal tax policy needs to grow and sustain the competitiveness of America's businesses. Most demolition contractors conduct business in such a way that their income is taxed at the individual level, commonly referred to as pass-through entities. These small and medium-sized employers would be significantly affected by higher marginal tax rates, taxes and fees on assets, and other confiscatory proposals. Over one half of the private sector workforce is employed by pass-through entities and higher taxes affect the job market. NDA supports a simplified tax code that does not place an unnecessary burden on job-creating member companies.

- NDA supports tax policy that enables the demolition industry to compete and provide quality jobs across America.
- NDA supports tax reform set by the Tax Cuts and Jobs Act in 2017 and opposes attempts to weaken or repeal the law.
- NDA opposes increases to personal income tax rates that are also tax hikes on the many small businesses that are structured as pass-through entities (S-Corporations, partnerships, and sole proprietorships).
- NDA supports tax policy that continues to provide for accelerated and bonus depreciation which incentivizes capital investments, as well as new and used equipment purchases.
- NDA supports the recent changes to the tax code that doubles the combined gift and estate tax exemption and the generation-skipping transfer (GST) tax exemption, from \$5.49 million for 2017 to \$11.18 million for 2018. NDA supports the permanent repeal of the estate tax.
- NDA supports continued alterations to the tax code that will boost the U.S. economy and provide much-needed relief to small and medium-sized businesses and their assets.



ENVIRONMENTAL STEWARDSHIP

NDA is committed to practices that protect our environment and NDA member companies have a reputable track record of commendable environmental stewardship. NDA, however, is concerned that certain regulations, while well-intentioned, will place a significant administrative burden on demolition contractors. In recent years, federal agencies have enacted costly and burdensome regulations with little consideration for the impact they would have on American businesses and their workers. NDA remains committed to working with the federal government to ensure environmental regulations are effective and considered with the demolition industry and employees in mind.

- NDA supports balanced, scientifically-based environmental stewardship policies with measurable and attainable goals for American companies without putting them at a disadvantage.
- NDA believes new environmental regulations must reflect sound science and take into account the impacts on the regulated community.
- NDA supports the continued implementation of laws reforming the Toxic Substances Control Act (TSCA) and will assist federal agencies with their role as necessary.
- NDA supports the Environmental Protection Agency's (EPA's) efforts and other initiatives to encourage water conservation and use-efficiency in new and existing structures as long as those programs are voluntary, cost-effective, affordable and consider consumer preferences.
- NDA supports the EPA's Brownfield Grant Program and is committed to working with the federal government to facilitate the appropriate handling of hazardous areas.



HEALTHCARE

The availability of quality health care benefits is a priority for NDA and its member companies. NDA supports common-sense proposals that would address the increasing costs of health insurance, particularly for employer-sponsored arrangements and the rising number of uninsured Americans. Unfortunately, the provisions contained in the Patient Protection and Affordable Care Act (ACA) did little to provide relief to demolition contractors. NDA urges Congress and the Administration to provide more choices to employers and workers and allow private insurers to compete in the market.

- NDA supports reforms to the system, including the ACA, which will reduce the impact on employers' ability to provide quality and affordable health coverage to employees and their families.
- NDA remains concerned with tax changes brought forward by healthcare reform, namely the 3.8% tax included in the ACA. The tax affects net investment income for those who earn more than \$200,000 per year and couples who earn more than \$250,000 per year. Under this system, individuals and couples making \$400,000 and \$450,000 respectively will pay a capital gains tax rate of more than 23%.
- NDA is concerned about the effect of the high cost plan tax (HCPT), also known as the Cadillac tax, contained in the ACA and, though currently delayed, Congress should take steps to repeal it.
- NDA opposes the law's tax on health insurance companies that offer fully insured plans, which is passed on to employers, and ultimately employees, through increased premiums.
- NDA opposes any government efforts to restrict the availability of self-insured group health plans, including stop-loss insurance.



DISASTER RESPONSE

A modern professional industry exists with perfectly suited tools and equipment, appropriate and comprehensive training, and a wealth of day-to-day experience to safely, rapidly and effectively assist with rescue, recovery and clean-up operations following large-scale man-made and natural disasters, and historically this industry's resources go largely untapped.

NDA is firmly committed to assisting communities in the wake of devastating man-made and natural disasters and recovering in the most effective and efficient manner possible. NDA supports lowering barriers so that recovery can take place quickly and efficiently, and the tremendous unseen cost of using ill-equipped, under-trained and inexperienced contractors could be significantly reduced.

- NDA supports voluntary public-private programs within the federal government to address the following issues related to disaster response and cleanup: lack of protection from liability, insufficient compensation for labor and equipment, and the lack of qualitative standards for determining awarded contracts.
- NDA is committed to working with the Federal Emergency Management Agency (FEMA) & the System for Award Management (SAM) to ensure NDA members are the go-to entities in the wake of natural disasters.
- NDA supports the adoption of regulatory and legislative measures, such as temporary waivers and/or permit streamlining, and expanding their ability to address the demand for multiple victims' assistance programs such as financial assistance for repair and replacement of housing, rental assistance and other emergency housing funds for the rebuilding of businesses.
- NDA supports disaster recovery assistance that returns displaced residents to their homes and encourages the timely rebuilding of disaster-impacted areas.



PROCUREMENT TRANSPARENCY & FAIRNESS

NDA is firmly opposed to efforts from state and local governments to forgo a fair and transparent procurement process by establishing in-house demolition programs utilizing federal funds. NDA supports adoption of regulatory and legislative measures which would require all entities that receive federal funding for demolition projects, including state and local governments, to solicit competitive bids from private contractors.



TRADE

NDA member companies are affected by several aspects of federal trade policies, especially tariffs. NDA supports the U.S. Mexico Canada Agreement (USMCA) and other trade agreements that bring stability and growth to trading relationships both regionally and globally. NDA also urges the Trump Administration to cautiously weigh the benefits and effects of trade remedy actions against other countries, including China and European Union member countries. NDA members utilize equipment procured both domestically and abroad, and it is important that a competitive market for these products is not ruptured by government policies. Lastly, NDA urges the federal government to oppose policies that would disrupt the construction and demolition industries, including trade barriers on machinery and products.

- NDA supports trade policies that open markets and level the playing field globally for American companies.
- NDA supports the elimination of border barriers that hinder market access, including tariffs and non-tariff barriers, to allow for the improvement of U.S. competitiveness in North America and globally.
- NDA opposes the inclusion of construction machinery and related supplies on lists of tariffs regardless of their justification.
- NDA believes the federal government should consider the full impact that tariffs justified by Section 301 of the Trade Act of 1974 and Section 232 of the Trade Expansion Act of 1962 have on demolition contractors and the economy as a whole.
- NDA supports trade agreements that facilitate robust commercial relationships with foreign countries that have facilitated strong ties and cooperation.
- NDA supports modifications to existing trade agreements that alleviate or eliminate provisions that are unfair or disadvantageous to U.S. interests, ensuring that any modifications consider the demolition industry.



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