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U.S. House Votes to Repeal 3 Percent Withholding Requirement — ASA Pushes for Repeal Vote in Senate

Several years of hard work by ASA's grassroots activists paid off on Oct. 27, when the U.S. House of Representatives voted to repeal the 3 percent tax withholding requirement on public contracts. The House passed repeal legislation ([H.R. 674](#)) by a vote of [405-16](#) (yeas-nays). "The House acted decisively to repeal this burdensome law that, if implemented, would reduce the cash flow of government contractors while increasing their record-keeping requirements," said 2011-12 ASA President Kerrick Whisenant, Cornerstone Detention Products Inc., Tanner, Ala. Without repeal, the tax withholding requirement is scheduled to take effect on Jan. 1, 2013. "The Senate should swiftly bring repeal legislation to a vote." In a statement released by the White House on Oct. 25, the Obama administration said it "supports passage of H.R. 674" and that the legislation "would reduce a burden on government contractors who otherwise comply with their tax obligations, particularly small businesses." ASA is working with key senators to end debate and bring repeal legislation to a vote in the Senate. *For more information, contact ASA at (703) 684-3450, Ext. 1317, or GovernmentRelations@asa-hq.com.*

Does Your Subcontract Allow Mediation? If So,

YOURSELF WITH
THE 2011
CONSENSUSDOC
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Check Out New AAA Fast-Track Mediation Program

If your subcontract allows mediation and you experience a dispute, the American Arbitration Association's new fast-track mediation program for construction cases might be an option for your company. The AAA introduced the program on Oct. 24 to help parties reduce the time and cost involved in mediation by capping fees at \$525 and limiting mediation conferences to one day. The program is available for construction cases that involve two parties and claims of \$75,000 or less. Multiparty cases with claims less than \$75,000 are also eligible, provided all parties agree to the terms of the program, which provides for:

- Prompt appointment of an AAA mediator, who has agreed in advance to serve at a flat rate.
- A one-day mediation conference to be scheduled within 30 days of the mediator's appointment.
- A pre-mediation conference call, if requested by parties, and review of pre-mediation statements by the mediator.

The flat rate covers mediator compensation and AAA administration services, although additional room rental and mediator out-of-pocket expenses may apply. ASA is represented on the AAA's National Construction Dispute Resolution Committee. If you'd like to use fast-track mediation to resolve disputes on future projects, check your subcontracts and make sure they allow it as a dispute resolution option. *Visit AAA online for more information about the AAA's [fast-track mediation services](#) or contact AAA at (888) 320-3490 or beyeal@adr.org.*

CII Director to Explore 'Construction at the Crossroads: Which Way Forward?' at ASA Business



Forum and Convention This March

As the nation's economic recovery progresses, how will subcontracting and other firms in the construction industry need to change in order to be competitive, effective, quality builders and business managers? Wayne Crew, director of the [Construction Industry Institute](#), will ask that question at the March 2 general session "Construction at the Crossroads: Which Way Forward?" at the ASA Business Forum and Convention 2012 in San Antonio. Crew will share CII's latest research and initiatives supporting better, safer projects through best practices. CII, based at The University of Texas at Austin, is a consortium of more than 100 leading owner, engineering-contractor, and supplier firms from both the public and private arenas. Its research, initiatives and industry alliances are geared toward enhancing the business effectiveness and sustainability of the capital facility life cycle. [Register](#) for the ASA Business Forum and Convention 2012 and [reserve](#) your room in the ASA room block at the Hyatt Regency San Antonio Riverwalk by Jan. 28, 2012.

ASA Asks Judiciary Committee to Support Regulatory Reforms

In a [letter](#) sent to members of the U.S. House Committee on the Judiciary on Oct. 24, ASA called for reforms in the regulatory process that would provide "construction subcontractors and other interested parties more opportunities to tell Federal regulators how new proposed rules would affect them." The letter states, "Early engagement is important because many firms have real-world experiences they would like to share before a final rule is promulgated." On Oct. 25, the committee held a hearing on the [Regulatory Accountability Act of 2011](#) (H.R. 3010), which would reform the law that governs how federal agencies propose and establish regulations. *For more information, contact ASA at (703) 684-3450, Ext. 1317, or*

GovernmentRelations@asa-hq.com.

Familiarize Yourself with the 2011 ConsensusDOCS — Watch FASA’s Webinar Recording

More than four years ago, a group of leading construction industry organizations, including ASA, published contract documents designed to treat all parties in the construction project equitably. This coalition, [ConsensusDOCS](#), has now grown to more than 35 members and just last week reached a new milestone: the first major 100 percent ConsensusDOCS project in the country. Earlier this year, ConsensusDOCS updated and revised several key documents. Familiarize yourself with these ASA-endorsed documents by watching and listening to “[Benefiting from the New and Improved ConsensusDOCS Documents](#)” (Item #8045). In this 78-minute audio-visual recording of an ASA webinar presented by Julie Neuroth, Esq., Benjamin, Yocum & Heather, LLC, Cincinnati, Ohio, Neuroth discusses how to negotiate better subcontracts using the ConsensusDOCS documents. *The FASA recording is available on CD-ROM for \$65 for ASA members and \$95 for nonmembers.*

ASAdvantage Provider ‘The Contractors Plan’ Helps You Compete for Prevailing Wage Jobs

Federal construction contracts in excess of \$2,000 are subject to the Davis-Bacon Act, which requires payment of locally “prevailing wages,” including the “anticipated cost of prevailing benefits.” Many subcontractors pay the fringe-

benefit portion of the prevailing wage as additional cash wages, believing it's the easiest way to comply with the law. However, allocating the fringe amount to a bona fide benefit plan or plans, can result in significant cost savings, and dramatically improve your company's bottom line. Visit the interactive calculator at www.thecontractorsplan.com to calculate your potential savings. Stop worrying about record-keeping and get the competitive edge to win bids. Visit www.thecontractorsplan.com to learn more.

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