Consolidating Diverse Business Entities and Interests in ACRA

By J. Schuldenrein, GRA

Donald Durst's lead article in May's ACRA News underscored several issues that point to disparate interests in the cultural resources industry. As an architect, Durst noted that many of his colleagues simply do not recognize the nature or the extent of their professional overlap with historic preservation. He made a compelling case for ACRA to reach out to that sector of the CRM community. While ACRA-L (on the Internet) has provocatively bandied about the “why’s”, “wherefore’s”, and “how’s” of “what CRM really is”, I would argue that most industry professionals, if not convinced that CRM is driven by the archeological train, would surely concede that the lion’s share of the noise, smoke, and roaring is done by archeologists. Archeologists initiated the organization, recruited their own, and only then realized that there was a large related contingent—including historians, architects, conservationists, archivists, and natural scientists—that also had something to contribute as well as specific interests that needed to be supported by the organization.

There are a variety of reasons why specialized disciplines are not yet widely represented in ACRA. The initial identity of the organization was reflected in the make-up of its governing board. Most are the heads of medium sized CRM companies whose business concerns are generally unique to both the industry and a mid-size level of operation. Accordingly, larger firms with CRM wings were not initially represented because many of their needs—insurance, financing, legal representation—are covered under the umbrella of larger corporate entities. On the opposite end of the spectrum, smaller entities (i.e. partnerships, home office operations) either have safety nets that allow them to do without formal business frameworks or simply do not perceive a risk for broader (and costlier) structures. Some have argued that this type of thinking on the part of the smaller operations is both detrimental to the profession and actually undermines ACRA's objectives to establish a business identity for CRM within the corporate framework of America. It is the role of the smaller firms and their interests that is the focus of this article.

Since the mid-size, archeologically-centered companies launched the ACRA train, it was only natural for the organization to assume the character and adopt the interests of the parties that initiated it. However, like any flourishing and expanding corporation, a growing trade association will eventually take on the character of the dominant constituencies drawn to it. This may mean that interests not originally represented may emerge if enough members find them to be collectively viable. I was intrigued to learn recently that the majority of ACRA's corporate members are now small firms that gross less than $100k per annum. This membership profile also comes as a surprise to some of the Board members to whom I have spoken, since many assumed that mid-sized CRM firms would form the groundwork for the trade association's central concerns. However, an emerging feature of the present corporate CRM entity is that it is "downsized", a watchword painfully familiar to all of us in American business in this decade. The ACRA census data suggest that many, perhaps even most firms cannot fulfill the entire range of CRM services. For "downsized" businesses there are a host of needs and issues unique to the performance of more limited services. These

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STRAIGHT FROM THE T-SQUARE

By Donald M. Durst, Architect

*A NEIGHBORHOOD-FRIENDLY ACRA*

Earlier this year, the Carnegie Foundation for the Advancement of Teaching released a three-year study on the relationship between the architectural profession, its educational system, and public awareness. The study, written by Dr. Ernest L. Boyer and Mr. Lee D. Mitgang and titled "Building Community, A New Future for Architecture Education and Practice," found the architectural educational system to be improving but public awareness to be faltering. Throughout this study, I found several concerns applicable to the CRM industry. All the reader would have to do is substitute the word "architecture" for "CRM" and many of these statements would be valid. The Carnegie report is quite extensive; however in very brief summary, here are three areas that are most pertinent to our work.

The authors are concerned that the general public has no basic understanding of architecture. Replace the word "architecture" with "CRM" and we can see from the on-going actions in Congress that the public does not know what CRM is and how important it is to our nation's heritage. The Carnegie report calls for greater public awareness of architecture; I think the same argument can be made about CRM. This can be done by several means. The most appropriate and long-term approach is by becoming involved in the communities where we live and work.

The report calls for a greater presence of architects in solving our nation's daily problems. There is a growing concern that architects are becoming irrelevant and out-of-touch with routine issues of everyday people. This lesson has a direct application to CRM. How many of us are involved at the local level in volunteering our expertise to our communities? Unlike the American Institute of Architects (AIA) which has local, state, and national levels of involvement, ACRA only has the national level. It is not uncommon for each local AIA chapter to be directly active in their community such as volunteering for Habitat for Humanity, sending representatives to neighborhood commissions, or even becoming involved in local MOAs, etc. Even with this type of commitment, the Carnegie reports still states that architects are not doing enough. At present, ACRA has no formal vehicle to reach out to the communities in which its members live and as a result, we have no way to tell the public that CRM is a profession worthy of their respect and trust.

Finally, the report calls for more collaboration between the academic and professional worlds. In addition to the Intern-Architect Development Program (IDP), which is the architectural internship program, the architectural schools and professional practice must reach out to other disciplines to develop new connections and strengthen existing ones. CRM, by its very nature, is mixture of various professions and academic study. Unfortunately, by reading messages on ACRA-L, one still thinks "CRM equates archaeology." Our lesson here is that we must try to reach both the academic and professional worlds of all CRM disciplines in order to be part of both the training of our interns and the planning of our communities.

Does this mean we should drop everything we doing right now regarding labor rates and electronic commerce? Of course not. I do not even believe we need to undertake and pay for an expensive, wordy study because the AIA has already done the work for us. Thank you AIA! But, we must begin to think about how we can become involved in our communities in order to address these concerns about our profession—not as owners and employees of "XYZ CRM Company" but as members of the American Cultural Resources Association.
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must be brought to the fore by ACRA if it is to function as a central trade association for a fluid and dynamic constituency.

Firms that provide a more limited number of services often offer expertise in specialized disciplines as well. Yet rather than utilize these firms, primary contractors (i.e., mid-sized firms or larger) will tend to hire individual historians, architects, and natural scientists on a project by project basis according to the needs of a particular contract. Who are most of these practitioners? Many of them, if not the majority, are university-based consultants or individuals operating largely in a non-business environment. Most (again, not all) are ignorant of the Section 106 process, or the technical objectives of a contract. As a result, they feed often unnecessary research and data to their clients (i.e., primary contractors) who reinterpret findings to fit the contract’s needs. Thus, technical data are filtered by the primary contractor, often at the risk of mis-applying information that the specialist should have gathered as well as interpreted in the first place. This becomes a risky exercise, since interpretation is the key issue in most Scopes of Work and should remain the ultimate contribution of the specialist.

My own practice is as a geomorphological firm almost exclusively in support of CRM archeology. In the performance of Phase I, II, and III tasks we are completely grounded in the workings of the Section 106 process and in technical aspects of contract objectives. We view ourselves as providing specialized, technical expertise for the CRM industry and work either directly with primary clients, or, more typically, in alliance with larger “umbrella firms” requiring geoarchaeological services. And yes, a higher price is charged for this measure of expertise.

Our firm has been undercut by consultants (in some cases employed by ACRA member firms) on projects in which technical “reading” of modified landscapes and buried strata is critical to assessments of archeological site integrity, thus satisfying a given Scope of Work. These are not judgements that can be made by pedologists or Quaternary stratigraphers, just like Phase III right-of-way research designs cannot be structured by archeologists used to planning excavations in an open research universe (i.e., non-impacted terrain). I raise the issue because in several embarrassing incidents we have been called up to re-do work initially performed by others, at a cost far greater than that originally quoted for the SOW. Ultimately, re-doing a piece of work is a blot on the primary contractor and the CRM industry since it calls into question standards of professionalism.

Primary contractors naturally justify the use of low-overhead consultants under the guise of saving the odd dollar and/or cutting corners. In the long run, this practice is both unethical and hypocritical, if, as ACRA justifiably claims, there is an overriding need to develop a professional tag on the business of CRM. If larger CRM firms effectively “lowball” by using non-business subcontractors there is really no justification to castigate garage based operations or university CRM programs for capturing disproportionate market share. In both instances the fundamentals of running a business are undermined exclusively for the bottom line, as larger firms write-off specialty firms in the same way that the “non-business” CRM entities squeeze mid-size and large firms. I had assumed that ACRA opposed this stance from the outset.

It is a double slap in the face to smaller, specialty companies when their services are snubbed by ACRA members in the interests of “lowballing”. The upshot is that we are witnessing a trend in which specialty firms are reluctant to join the organization precisely when their numbers are growing and they have the potential to bolster the influence of the Trade Association. These firms see no benefit in paying dues in exchange for what they consider to be dubious benefits. When invited by ACRA’s board to recruit additional members for the organization, I naturally turned to my colleagues in the earth science community (soil scientists, Quaternary geologists, geomorphologists, etc.). Most simply laughed my suggestion away, acknowledging that even though they benefited extensively (even primarily) from CRM, they were “not CRM’ers” per se and did not consider themselves businesses. They

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ACRA’s Second Annual Meeting
Set For November 1-3, 1996

Announcing the Second Annual Meeting of the American Cultural Resources Association. This meeting will be held in Sacramento, California, at the Hyatt Regency Sacramento on November 1-3, 1996. The address of the Hyatt Regency is 1209 L Street, Sacramento, CA 95814. Rates for rooms will be $95 for single/double occupancy.

Following the “tradition” started last year, a plenary session is planned for Saturday morning, followed by two concurrent afternoon sessions. Similarly, the business meeting will be Sunday morning.

As a new feature this year, we are hosting at least two “training/workshop” sessions on Friday afternoon. One of these sessions will concern “Worker Health & Safety” with an OSHA Overview. This session is presented by Woodward Clyde. For further information, contact John Sprinkle at e-mail JHSPRIN@WCC.com.

The second “training/workshop” session is Native American Consultation Workshop, presented by CEHP, Inc., the National Preservation Institute, and ACRA. For further information,
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claimed, quite rightly, that work was going to come their way anyhow, because they were either one-person operations or were sustained by university-based programs that accommodated work on the side or sustained it with minimal overhead. Some geomorphologists, for example, asserted they would not join because they do CRM as a sideline, don’t see its scientific merits, and carry the same prejudices to applied archaeology as many in the academic community. The saddest irony is that those colleagues formally functioning as small businesses claimed that their client base was being diverted to individual consultants precisely because they had overhead structures that supported membership in a Trade Association. One argued, quite legitimately, that he was being penalized for joining ACRA since the dues contributed to his overhead!! This negative feedback loop will only continue unless larger ACRA members realize that they have a collective interest in supporting the efforts of specialty firms to compete as businesses.

We all realize that cost-effectiveness is a powerful determinant in decision making. There are only a limited number of ways that companies that sustain staffs, equipment, supplies, and financial and legal nets can cut budgets. Are there any ways for contractors to cut costs while engaging specialty firms? For specialty disciplines an effective method, and one that has multi-faceted ramifications in the CRM community, is the judicious implementation of internship programs. ACRA itself is in the forefront of championing this approach to facilitate the transition students must make from graduate training to gainful employment in the CRM industry. I have discovered that most universities are amenable to structuring opportunities for students to gain experience in the practical world by granting credit for internships. This is working extremely well at my firm and at others who have initiated such programs. Students learn discipline-specific skills under the supervision of senior personnel. The specialty firms reduce costs and promote the interests of CRM at the same time. Project needs are met as supervised interns often do much of the field and analysis work while quality assurance and the responsibility for the final product remains with the firm’s Principal Investigator. I would caution that this is not a preferable method for undertaking massive ventures—such as pipeline surveys or Phase III excavations—since here we run the risk of eliminating entry level jobs, but for specialized disciplines it affords an optimal window for completing tasks while providing future practitioners with critical training. Most significantly, it levels the playing field for business oriented specialty firms in CRM.

I believe it is ACRA’s mission to satisfy the needs of this vital and rapidly emerging sector of the CRM community. Small specialty firms—architects, natural scientists, and archivists—will be encouraged to join the organization. We must recognize that specialized services are increasingly turning to CRM not as a supplementary source for business growth, but as its foundation. The link between large, mid-size, and smaller business is networking and the role of ACRA must be pivotal in facilitating such interaction. There is a natural bridge between the mid-size and larger ACRA firms to the specialty companies in order to collaborate within the context of the business environment. The trade association will only grow in this way, especially since the member profile demonstrates that small businesses are the emerging core of ACRA as an organization.

Finally, I would hope that it is redundant in this publication to stress that the “penny wise and pound foolish” approach is bad business practice. It only reinforces the negative stereotypes projected by preservation in much of the greater commercial and business world. All of us should be committed to ethical principles that can and must govern the function and operation of ACRA as a Trade Association. First and foremost we need to operate within the context of a business environment to be taken seriously by the clients we are supposed to serve. CRM business owners of all stripes need not be reminded that many clients do not consider CRM to be on a par with other environmental support services. We will not be taken seriously by the outside if we don’t recognize the need to accommodate the needs of our own constituencies. We must identify these constituencies and establish internal policies that will solidify our standing in the markets in which we serve and hope to expand.

Awards Committee Report

Members of the Awards Committee have now been chosen from across the country and include the disciplines of archaeology, history and architectural history. The committee will soon be deciding on the awards to be given and persons to receive the first set of ACRA awards. These awards will be given at the 2nd Annual ACRA meeting in Sacramento this November.
WORKERS’ COMPENSATION AND YOUR BUSINESS

By Chris Butler, C & D Butler, Inc.

In this issue of ACRA News, I wanted to discuss three topics concerning workers compensation insurance. It has been my experience as an insurance agent that there are certain issues surrounding this coverage that causes confusion. I hope that, by discussing these topics you will have a better understanding about workers’ compensation insurance.

One of the first questions that I am asked by a prospective client with a small number of employees or no employees, is whether they need to carry workers’ compensation insurance. In the state of Georgia where I do business, employers are required to carry coverage if they have three or more employees. However, my answer to any employer regardless of whether you have employees or not, is that you should carry this coverage. By having workers’ compensation you are doing two important things. First, you are providing to your employee insurance to protect them if they are hurt on the job. This will include all medical, disability, and rehabilitation expenses. Every employee rightfully should expect that their employer would provide this coverage. Secondly, by having this coverage the employer is not liable for injuries to the employee. The insurance company will pay for all expenses incurred as a result of the injury.

Many times questions arise concerning the use of subcontractors. In today’s business environment many companies are using subcontractors rather than hiring employees. These companies are calling these individuals independent contractors. As I have explained to my clients, unless the subcontractor meets the definition of an independent contractor, which in most cases they do not, these individuals will not be considered independent contractors. Consequently, unless these subcontractors can provide evidence of insurance for workers’ compensation, you are responsible if they are injured on the job.

This is a good reason why companies which do not have any “employees” still need to have workers’ compensation. The use of subcontractors will not relieve you of the responsibility of injury to these individuals.

I am sure that many ACRA members will occasionally do work in states other than where their company is located. It is important to advise your agent of any work being done outside your state. Because of certain restrictions in the policy, coverage may not be provided for work in certain states. It may be possible, however, that your policy (especially if it is through the state worker’s compensation department) may allow for reciprocal agreements with other states which will let you operate in those states without procuring a separate policy. An example of the problems that can develop with worker’s compensation for work outside of your state comes from New South Associates here in Georgia. Their policy provides coverage for the states of Georgia, North Carolina, South Carolina, and several other states in the southeast. However, when New South contracted for work in Florida and Louisiana, we had to write separate policies for each of these states. Also, because of some work being done in Egypt, we had to write another workers compensation policy covering employees working outside the United States.

One other possibility is that your policy (especially if it is through the state workers’ compensation department) may allow for reciprocal agreements with other states which will let you operate in those states without procuring a separate policy.

The key point to remember is do not assume that your workers’ compensation covers all your employees in all locations throughout the world. If you are going to work outside your domiciled state, you should call your insurance agent to clarify how your policy will respond.

I hope that these comments have been helpful in giving you a better understanding of workers’ compensation insurance. As I always recommend, please take time to talk with your agent and ask questions. Many agents will have information on the workers’ compensation laws of your state and definitions of an independent contractor. If any of you do not carry workers’ compensation insurance and have employees and/or use subcontractors, you need to purchase this insurance immediately. It is in the best interest for both you and your employees.

Work Tip

Effective e-mail

Electronic mail (e-mail) sent via the Internet is one of the newest communication tools around, but it’s not foolproof. What can you do to improve your e-mail?

- If your recipient has more than one mail box, send copies of your message to all addresses.
- Make sure a knowledgeable employee is in charge of your organization’s e-mail.
- Consider setting up your own Internet site if you expect to send and receive lots of mail.
- Don’t ignore regular mail. More than 99.9 percent of properly addressed first-class mail arrives at the recipients’s location.
LEGISLATIVE UPDATE

By Loretta Neumann, CEHP Incorporated

This report will highlight what is happening in Washington, D.C. on a number of issues of concern to members of ACRA. It is current as of July 16, 1996. It summarizes some of the information we have provided in special on-line alerts and weekly news reports that we prepare for ACRA. If you are a member of ACRA (corporate, associate or student) and have not been receiving the on-line reports, please send me a private e-mail message at: Loretta_Neumann@Hap.Cais.Com.

Advisory Council Reauthorization & Staff Restructuring

Legislation to reauthorize the Advisory Council on Historic Preservation is still stalled. The Senate has not yet scheduled a hearing on S. 1808 by Senator Frank Murkowski (R-AK) to reauthorize the Council, although rumors abound that it could happen in September, after Congress returns from the August recess. The House Resources National Parks Subcommittee — which held a hearing last March — has not set a date for a markup of the companion bill, H.R. 3031, by Rep. James Hansen (R-UT). Both bills would authorize the Council funding for $5 million a year through the year 2003. There is a possibility that the Senate may try to attach it to the Presidio bill. If that doesn’t occur, House Democrats predict that the Council’s reauthorization will probably die in committee.

Meanwhile, as a result of the nearly $500,000 budget cut they took last year, the Council’s executive director, Bob Bush, is developing a “proposed restructuring plan.” The plan has been submitted to Council Chair Cathryn Slater, along with the comments of the staff. Once things are more sure, Bush promised he will send out a circular letter to everyone — states, federal agencies, on-line list servers, etc. It’s unclear when the changes will take effect; it could be in August or September.

Historic Military Housing Threatened

In one of the most blatantly anti-historic preservation provisions yet to come before the 104th Congress, the Senate is promoting the demolition of historic homes on military installations. The language is included in the Senate report that accompanies H.R. 3517, the Military Construction Appropriations Act of 1997, requires each service to review their inventories of historic homes and provide a report on specific plans “to remove all but the most significant historic homes.” According to the report, military housing accounts are “overburdened” with historic quarters, and “this situation will only worsen as the number of homes eligible for placement on the register continues to grow.” The report, which would have to be submitted to the Appropriations Committee by March 25, 1997, “should provide what statutory impediments are being encountered in implementing such plans.”

ACTION NEEDED!!! Call your Representatives and Senators today and protest this language in the Senate report. All Members of Congress can be reached through the Capitol Switchboard, (202) 224-3121.

BLM To Unveil Draft Nationwide Programmatic Agreement (PA)

The Bureau of Land Management (BLM) is expected to unveil soon the long-awaited draft nationwide programmatic agreement (PA) implementing BLM’s responsibilities under Section 106 of the National Historic Preservation Act. A task force including representatives of State Historic Preservation Officers, the Advisory Council on Historic Preservation and BLM met in Salt Lake City in June to discuss the draft PA, and apparently made a number of substantive revisions. The first presentation on the new draft was made at a meeting of the National Conference of State Historic Preservation Officers July 14 in Duluth, MN; an informal briefing was also set to be held in Washington on July 18 following the BLM’s 50th anniversary celebrations. BLM will be circulating the revised draft soon and hopes to have it ready for signing in November.

Appropriations

The news is relatively good for the fiscal 1997 appropriations for the Department of the Interior and Related Agencies. Following summarizes and compares the House-passed bill with the version approved by the Senate Interior Appropriations Committee. Following is a brief summary, with House figures first, and Senate changes (if any) in brackets:

* Historic Preservation Fund (HPF): House bill contained $36,476 million, the same level as appropriated last year, although down $1,814 million from the administration’s request. The HPF breakout includes $29.4 million for states, $1.9 million for tribes, $1.4 million for historically black colleges, and $3.5 million for the National Trust for Historic Preservation. [Senate bill added $400,000 for the National Trust to do disaster assistance at Ft. Smith, Arkansas.]

* Advisory Council on Historic Preservation: $2.5 million, also the same as last year.

* Bureau of Land Management: $12.059 million, the same as the administration’s request and $1 million more than the fiscal 1996 appropriations.

* Forest Service heritage program $14.570 million, an increase of $500,000 over the administration’s request and over last year’s level. [Senate bill would cut it by $1 million.]
Presidio/Omnibus Parks Bill

The House Resources Committee has finally released its "offer" to the Senate on the so-called Presidio/omnibus lands bill. While some of the provisions in it are dreadful (especially the addition of provisions relating to grazing on the public lands), Section 509 would reauthorize the Advisory Council on Historic Preservation at $4 million annually in the fiscal years 1997 through 2000. It contains two reporting requirements. The first is for a report within 18 months to the appropriate congressional committees with "an analysis of alternatives for modifying the regulatory process of for addressing impacts of Federal actions on nationally significant properties" and "alternatives for future promulgation and oversight of regulations for implementing Section 106" of the NHPA. The second is for the Council, in consultation with the National Park Service and other federal agencies, to develop within two years a process and schedule to ensure that federal agencies adopt programs to fully implement section 110 of the NHPA, with special attention "paid to those agencies with the greatest responsibilities under the National Historic Preservation Act."

The draft bill also makes a number of technical changes that the Council had sought, such as allowing the Council to use funds on a "no-year" basis. It also authorizes the Council to receive reimbursements from federal, state and local agencies and others pursuant to agreements executed in furtherance of the Act, with the proviso that "the Council may not enter into any such agreement which would create a conflict of interest with respect to any case pending before the Council for consideration."

Message from the Executive Director

By Thomas Wheaton

In the next issue of the newsletter, we hope to include a questionnaire for the membership to complete and return. This questionnaire will ask for your opinions on a variety of issues, including many that were included in the original questionnaire back in 1994. Part of the questionnaire will include a list of initiatives that ACRA has taken during the past year and a half, and asks whether you approve, disapprove, or don't care.

If there is an issue or initiative that ACRA has or has not addressed that you would like to give a general opinion on, please let me, Tom Wheaton (770-498-4155, tomwheaton@aol.com) know, and we will try to include it. This and the annual conference are the only ways we know what the membership is interested in and for you to give the board guidance.

The main initiatives that ACRA is pursuing at the moment involve the Department of Labor and activities on Capitol Hill. We have been in touch with various federal agencies, and with the help of our labor lawyer, have had some input into the wage determination/job description situation. There have been some ups and downs, but overall the situation appears solvable. For obvious reasons we cannot publish everything that is going on. If you have specific questions, please give Kevin Pape (513-287-7700) or Tom Wheaton a call.

As for governmental relations, some ACRA members, noting the tremendous cut in our lobbying budget for 1996 and being willing to help foot the bill themselves, have begun sending in donations to keep a minimum level of lobbying (beyond the weekly online updates that we have all been getting.) It costs $1,333.33 for a month of lobbying/governmental relations consulting by CEHP Incorporated. Most of the contributing companies have bought a month's worth, and a few have paid for part of a month. We will take anything, however. These donations are earmarked for the lobbying effort only, and when the money runs out the lobbying will too. If you would like to contribute, please send Tom Wheaton your check and note that it is for the lobbying effort. Remember, this is in addition to the online updates that we have budgeted for. If you have any questions about an issue, whom to talk to on the Hill, or want to meet with your Congressman when you are in D.C., please get in touch with Lorettta Neumann or Kathleen Schamel (202-293-1782, lneumann@aol.com).

If you just want to keep on top of cultural resource issues generally, join ACRA-L by sending this message: SUBSCRIBE ACRA-L (your name here), to this address: LISTPROC@LISTPROC.NONPROFIT.NET
ACRA News is a monthly publication of The American Cultural Resources Association. Our mission is to promote the professional, ethical and business practices of the cultural resources industry, including all of its affiliated disciplines, for the benefit of the resources, the public, and the members of the association.

This publication's purpose is to provide members with the latest information on the association's activities and to provide up to date information on federal and state legislative activities. All comments are welcome. Please address comments to:

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