The Comprehensive Occupational Safety and Health Reform Act (COSHRA) introduced by Senator Edward Kennedy (D-MA) and Congressman William Ford (D-MI) in the 102nd Congress would be the first major overhaul of the Occupational Safety and Health Act (OSH Act) since its enactment in 1970. If enacted in its present form, the legislation would entail substantial direct and indirect costs for private sector employers. The Employment Policy Foundation developed a study that identified those provisions of COSHRA that would create significant private sector costs and, to the extent possible, to estimate those costs.

The study reported that selected provisions of COSHRA, including mandated Safety and Health Programs, safety and health training, Safety and Health Committees, recordkeeping and reporting requirements, monetary penalties, and litigation would add more than $51 billion annually to the cost of doing business for the private sector.

The net additional annual private sector costs of the selected provisions are estimated as follows: Safety and Health Programs: $19.89 billion; Safety and Health Training: $6.16 billion; Safety and Health Committees: $10.35 billion; Recordkeeping and Reporting: $3.32 billion; Monetary Penalties: $0.99 billion; Litigation: $11.40 billion; Total Private Sector Cost: $51.21 billion

The additional private sector employer costs imposed by COSHRA estimated at more than $50 billion annually—and conceivably as much as double that amount if all provisions of the legislation were taken into account—would have a significant adverse impact on prices, real wages, productivity and employment growth, and on the competitiveness of U.S. businesses in world markets. For example, the total private sector cost of $51.21 billion estimated in this study represents approximately 12% of private sector net income and 2.6% of private sector payrolls.

Among the far-reaching provisions of COSHRA are the following:

—Mandated Safety and Health Committees for employers of 11 or more employees, which are given a wide range of rights;
—Mandated initial and annual refresher safety and health training for all employees;
—Mandated written Safety and Health Programs;
—Significant new recordkeeping and reporting requirements;
—Greatly expanded employee participation rights, including the right to conduct safety and health inspections of facilities, and the right to involvement in OSHA settlements;
—Risk notification requirements;
—Expanded criminal penalties; and
—Mandated new OSHA standards.

The proposed legislation also expands coverage to federal, state and local employees.

The Employment Policy Foundation study is intended to contribute to an informed debate on this legislation by identifying, analyzing and estimating, where feasible, the costs of COSHRA to private sector employers. The study is based on intensive interviews with industry safety and health experts, supplemented by information from secondary sources. This information was used to estimate the average cost per covered firm or employee for selected provisions of COSHRA. These estimates were then expanded to the estimated universe of employers and workers covered by COSHRA. Because of the imprecision inherent in this process, estimates were purposefully very conservative.

The Association of the Wall and Ceiling Industries - International has joined with several other groups opposing COSHRA legislation. Most significant to AWCI members, it is possible that even more stringent regulations which would apply only to construction employers may be included in the final legislation. The information from the study is being used to let Congress know the effects of this proposed legislation. AWCI believes safety in the worksite needs to be improved, but the mandated provisions of COSHRA are not the best way to improve worksite safety.