

2006 Annual Report



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N.C. Department of Labor 2006 Annual Report

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N.C. Department of Labor Overview



The N.C. Department of Labor, under Labor Commissioner Cherie Berry, is charged by law with the responsibility of promoting the health, safety and general well-being of working North Carolinians. The General Statutes provide the labor commissioner with broad regulatory and enforcement powers to achieve that objective.

The labor commissioner is the constitutional officer elected by the people of North Carolina to a four-year term running concurrently with the governor's. Foremost among her duties are the administration and enforcement of the occupational safety and health standards and working conditions in industry; wage and hour issues pertaining to maximum work hours and minimum wage laws; training of apprentices in the skilled trades; education, training and consultation on safe and healthy working conditions; and the administration of inspections for boilers, elevators, amusement rides, and mines and quarries.

The N.C. Department of Labor's mission is to foster a safe, healthy, fair and productive North Carolina by:

- Providing responsive, effective and efficient services
- Providing and encouraging quality education and training
- Administering consistently and fairly our regulatory mandates
- Enhancing public confidence in the Department of Labor

According to state law, the Department of Labor promotes the health, safety and general well-being of more than 4 million workers at over 230,000 places of business. The laws and programs the department administers affect every worker—and virtually every person—in the state.

Department of Labor history dates back to 1891, when the General Assembly created the Bureau of Labor Statistics. In a reorganization of labor functions in 1931, the General Assembly laid the groundwork for the department's transformation into an agency with laws and programs affecting most state citizens. Departmental divisions and bureaus carry out its principal regulatory, enforcement and informational programs.

The Occupational Safety and Health Review Commission of North Carolina operates independently from the department. The review commission, whose members are appointed by the governor, hears appeals of citations and penalties imposed by the Occupational Safety and Health Division.

The Department of Labor serves the workplace. Its programs, as well as the information it makes available, help industry managers, small business owners, manufacturing employees and all those who work in North Carolina perform their work safely.

The Department of Labor includes:

Apprenticeship and Training Bureau

The Apprenticeship and Training Bureau promotes and monitors a broad range of apprenticeship programs that train journeyman-level craftworkers to meet the demand for high-skilled workers.

In 2006, more than 21,000 North Carolinians were served in these private industry-supported programs. Apprenticeship programs are sponsored through private employers or under joint labor-management committees.

The bureau encourages high school student apprentices and high school graduates to pursue training for career-development potential. Apprentices begin at a fixed percentage of journeyman pay and receive planned wage increases as they learn new skills.

The bureau also designs and implements other employment and training programs. These programs include developing individualized or group models, pilots of demonstration programs, and developing new processes or tools.

Boiler Safety Bureau

The Boiler Safety Bureau enforces the Uniform Boiler and Pressure Vessel Act of North Carolina. The bureau regulates the construction, installation, repair, alteration, inspection, use and operation of vessels that fall under the law. The bureau conducts periodic inspections of vessels and monitors inspection reports.

The bureau maintains records on ownership, location and condition of working boilers and pressure vessels. It also issues operating certificates to boiler owners and operators who meet requirements.

Elevator and Amusement Device Bureau

The Elevator and Amusement Device Bureau oversees, except in federal buildings, the installation and safe operation of elevators, escalators, workman's hoists, dumbwaiters, moving walks, aerial passenger tramways, amusement rides, inclined railways and lifting devices for people with disabilities. The bureau conducts more than 17,000 annual inspections. The bureau also approves plans and applications for equipment that falls under its jurisdiction.

The bureau conducts regular periodic inspections of all ride-operating equipment in the state and provides technical assistance. The bureau also will review, for architects and builders, plans for proposed elevators and related equipment.

Employment Discrimination Bureau

The Retaliatory Employment Discrimination Act protects employees who in good faith file or initiate an inquiry about workers' compensation claims or exercise their rights under state law. Investigators examine the complaints filed and, if the complaint is found without merit, advise the complainant on legal recourses. If the complaint is found to be valid, the bureau attempts conciliation through informal means before issuing a right-to-sue letter or taking the complaint to court.

Library

The DOL Library offers more than 8,000 volumes, 80 periodical titles, and 1,000 audiovisual items along with other electronic resources. The library's collection includes resources on the various topics regulated by the department. Videos and DVDs are free of charge, excluding return postage.

Mine and Quarry Bureau

The Mine and Quarry Bureau conducts inspections, education and training, and technical assistance on the operation of mines and quarries. The bureau helps operators to train their employees in safe working procedures. The bureau has jurisdiction over 440 private-sector mines, quarries, and sand and gravel pit operations that employ more than 4,650 citizens.

The bureau also inspects abandoned surface mines for the protection of the general public, promotes rockhound safety, and conducts an explosives safety course for anyone handling or using explosives.

Occupational Safety and Health Division

The Occupational Safety and Health Division administers workplace safety and health laws that apply to the private sector and all state and local government agencies.

OSH standards parallel the federal OSHA standards. North Carolina currently conducts one of the 26 state-administered OSHA programs in the nation.

The OSH Division conducts about 5,000 inspections a year. The division conducts investigations of employee complaints, investigations of work-related accidents and deaths, randomly scheduled site inspections, and special emphasis program inspections. Inspection targeting schedules, inspection files and other statistical reports are maintained by the Planning, Statistics and Information Management Bureau.

The division offers free services to private and public employers under its jurisdiction through its Consultative Services Bureau. It also offers educational and technical assistance. Employers may contact the OSH Division to receive free aid, including standards interpretations or on-site visits.

The Agricultural Safety and Health Bureau enforces the Migrant Housing Act of North Carolina, which requires the registration and inspection of housing provided to migrant agricultural workers. Migrant housing must meet federal standards plus specific standards for heat, fire protection and kitchen sanitation.

Research and Policy Division

The survey unit of the Research and Policy Division collects and processes information on workplace injuries, illnesses and fatalities for the U.S. Bureau of Labor Statistics. Reports prepared by the division include the annual injury and illness rate survey and the Census of Fatal Occupational Injuries.

Wage and Hour Bureau

The Wage and Hour Bureau enforces laws that cover minimum wage, maximum hours, wage payment and child labor.

Wage payment provisions—which include the payment of promised vacation, sick pay or other benefits—cover all employees except those in federal, state and local government. The bureau investigates worker complaints and collects back wages owed to employees.

The bureau also licenses and regulates private personnel and job listing services. Companies that charge their clients must obtain a license from the department.

Youth employment certificates are required for workers under 18 years of age and are available from all county social services agencies and from some school systems. This age group is prohibited from employment in certain hazardous occupations.

The bureau also monitors procedures used to test employees and job applicants for drug use.

Administration

Budget and Management

The Budget and Management Division is responsible for all fiscal-related areas of the agency. The division has a total of 15 employees, headed by the director. Job responsibilities are separated into four categories as follows: budget/payroll/accounts payable, purchasing, federal grant administration, and accounts receivable/collections. Reporting is done on a fiscal year basis (July 1 through June 30); therefore 2006-07 figures reflect six months of data.

Budget/Accounts Payable/Payroll and Purchasing

Because of legislative-mandated reductions and reversions over the past several years to meet costs associated with natural disasters and revenue reductions, it has become necessary for the department to reduce spending. Thus the number of checks issued and purchase orders written have decreased as a result of the budget shortfall as well as the agency's ability to utilize e-payments. The division continues to meet its internal benchmarks by paying and/or ordering items within five working days from receipt, thereby enabling the department to become more fiscally responsible and prudent with available resources.

	2002-03	2003-04	2004-05	2005-06	2006-07
Annual Budget	\$25,795,170	\$28,123,600	\$27,903,592	\$29,401,900	\$30,009,525
Revenue	\$11,894,551	\$14,091,596	\$13,505,588	\$14,480,684	\$13,632,158
Appropriations	\$13,900,619	\$13,557,881	\$14,398,004	\$14,921,216	\$16,377,367
Mandated Reversion	\$694,011	\$271,158	\$107,945	N/A	N/A
Percentage of Appropriation	4.9%	2%	N/A	N/A	N/A
Average No. of Checks Written/Month	584	545	543	530	509
Average Monthly Expenses	\$2,265,780	\$2,054,877	\$2,330,364	\$2,336,883	\$2,357,893
Percentage of Invoices Rec'd/Paid Within 5 Days	97%	98%	98%	98%	98%
Average No. of Purchase Orders Issued/Month	44	41	38	32	31
Monthly Avg. Value of Purchase Orders Issued	\$94,116	\$111,688	\$114,895	\$68,108	\$43,410
Percentage of Purchase Orders Issued Within Five Days	99%	100%	100%	100%	100%
Average Monthly Penalties Collected	\$604,330	\$581,292	\$576,159	\$604,365	\$622,883
Average Monthly Caseload for Collections	447	577	791	862	1,742

Accounts Receivable/Collections

The accounts receivable/collections section is responsible for all revenue received by the agency. Because two bureaus are fully receipt supported, it is extremely important that revenue is collected and deposited in a timely and accurate manner. In addition, assessed penalties are collected and distributed to local school boards throughout the state according to state law.

Communications

The NCDOL Communications Division provides direct support and assistance in publications work, library services and information to the general public and media outlets. Information is handled in a number of ways—through direct telephone contact with the members of the media and general public, releases, newsletters, brochures, manuals and other publications. The division also helps with workplace accidents, training tours and other special circumstances. The division prepares speeches for NCDOL personnel, and the division's publications staff prints the overwhelming number of workplace safety materials the department provides to the public, employers and employees.

The division, excluding the Library, responded to about 1,800 telephone calls and e-mail inquiries in 2006. The telephone calls were fielded from the general public and media outlets. The division released about 70 news releases and media advisories that included the fatality rates for the state, safety award winners, fair safety updates and other safety training events. The department's newsletter, *NC Labor Ledger*, subscription base grew to about 6,300 subscribers at the end of 2006. The division's print shop provided nearly 2.7 million impressions and sent 501 electronic items.

- Media and general public inquiries: 1,800
- News releases/media advisories: 70
- Print impressions: 2,702,760
- Electronic forms: 501

Library

The N.C. Department of Labor Library offers more than 8,000 volumes, including about 80 periodical titles, more than 1,000 audiovisual items and numerous electronic resources on the various topics regulated by the department. The library provides a comprehensive program of informational services for NCDOL employees, other state employees, N.C. citizens, other libraries, organizations and the general public. Its purpose is to support the mission and goals of the department to promote the health, safety and general well-being of over 4 million workers in the state. The library staff of two provides assistance in using the physical and electronic resources available in the agency library, in other libraries and on the Internet.

To fulfill the needs of the agency and the public in 2006, the library staff responded to 2,992 telephone, fax and e-mail requests, and copied 105 documents.

The library acquired 34 new audiovisual volumes this year, including 31 volumes in Spanish. The audiovisual circulation totaled 4,202 items at an average of 350 per month. These statistics included 495 renewals in 2006. Including renewals, circulation peaked in October, when 423 audiovisual items were loaned out or renewed. The continued high demand was due in part to the efforts of DOL staff members who promoted the library's services to employers.

In addition to circulating a large volume of audiovisual and print material and fulfilling the informational needs of its patrons, the library also arranged the cataloging of its material and the binding of many of its journals. The library acquired 70 non-audiovisual volumes in 2006.

The requests for information covered an interesting array of topics in 2006. Information requests included robotic safety resources, N.C. minimum wage increases over the last 15 years, workers' compensation codes, dust explosion/combustible dust resources, pre-OSHA regulations in North Carolina, agricultural labor in the post-WWII period, heat stress, employment discrimination online resources, anthropometric information, job search resources for inmates, noise abatement methods in chipper and veneer lathes, largest N.C. employers by county, ASP/CSP exam prep books, poison ivy-related resources and railyard operations. The library also received requests for standards on automated forklifts, ladders, compressed gases, welding, cranes, piping, backhoes, reflective clothing, protective footwear, hooks and funiculars.

Library staff supported the OSH trainers and compliance officers with various materials, including standards and information on a variety of topics. The library also assisted other state agency employees, employers, N.C. citizens, individuals in other states, attorneys, librarians and law firms with materials and information.

2006 Library Statistics			
	Total	Monthly Average	Total Change from Previous Year
Phone, e-mail and fax inquiries/requests	2,992	249	+201
Audiovisual loans	4,202	350	-116
Reference questions	488	41	-56

Governmental Affairs

The 2006 General Assembly convened for the short session on May 9, 2006, and adjourned on July 28, 2006. Following is an overview of 2006 legislative activity of interest to the department.

SB 1741—Modify Appropriations Act of 2005

The N.C. Department of Labor received a total appropriation of \$613,894. The department's revised budget is \$15,048,819. The department received a recurring appropriation of \$213,894 to fund travel for field staff and for existing field office space. The Mine and Quarry Bureau received a recurring appropriation of \$200,000 to offset unrealized safety training fee receipts. The bill also included a provision repealing the education and training fee established in S.L. 2005-276, Section 42.2. The Elevator and Amusement Device Bureau received approval for the creation of two additional receipt-supported inspector positions. The Occupational Safety and Health Division received a nonrecurring appropriation of \$200,000 for operating expenses.

Status: Ratified on July 6, 2006, and signed by the governor on July 10, 2006.

Employee Pay Raises (contained in SB 1741—Modify Appropriations Act of 2005)

Permanent state employees received a pay raise of 5.5 percent effective July 1, 2006.

Status: Ratified on July 6, 2006 and signed by the governor on July 10, 2006.

HB 126—Gun Permit/OSHA Technical Corrections

This bill was originally introduced Feb. 8, 2005. The final version of the bill amends G.S. 95-138(a) which concerns civil penalties for OSHA. The bill restores a distinction between serious and nonserious violations for purposes of determining whether the penalty is mandatory or discretionary. This distinction was made ambiguous in a 2004 rewrite of the statute.

Status: Ratified and signed by governor June 29, 2006.

HB 397—Apprenticeship Program Tax Credits

At the end of the 2005 long session, HB 397 remained in the House Finance Committee. This bill allows eligible employers a credit of 15 percent of the wages paid to registered apprentices. This bill remained in the committee without action during the 2006 long session.

Status: At session's end, HB 767 remained in House Finance Committee with no action taken.

HB 767—Enhance Migrant Housing Act/Public Housing Authority Incomes

Introduced March 16, 2005, this was the department's agency bill intended to clarify changes to the Migrant Housing Act of North Carolina, but did not make the act more or less stringent. In the 2005 long session, the bill was passed by the House, and then was referred to the Senate Committee on Agriculture, Environment and Natural Resources, with no action taken for the remainder of the long session. In the 2006 short session, this bill was re-referred to the Senate Committee on State and Local Government. The bill was gutted and replaced with entirely new text, entitled "Public Housing Authority Incomes," that had nothing to do with migrant housing. This edition of the bill was eventually passed by the Senate and was concurred upon by the House.

HB 1723—The Studies Act of 2006

Introduced May 11, 2005, this bill created the Study Commission on State Construction Inspections, appointing the commissioner of labor as a nonvoting ex-officio member. The bill states the commission shall study the scope and nature of each type of inspection of private and public construction projects performed or required by state agencies as well as the total cost of each of these projects.

The only inspection entities that may apply to the department are boiler inspections and elevator inspections. Jonathan Brooks, bureau chief of Elevator and Amusement Device Bureau, represented the department on the committee. The final recommendations of this study committee have been incorporated into **HB 76—Improve State Construction Process** sponsored by Reps. Owens, Justice and Michaux.

Status: Ratified July 27, 2006, and signed by the governor Aug. 16, 2006.

HB 1843—State Government Ethics Act

Introduced May 9, 2006, this bill is composed of three parts. Part I enacts the State Government Ethics Act, Part II amends the Legislative Ethics Act, and Part III amends the lobbying laws. Part I extends coverage of the State Government Ethics Act to "public servants," which includes many NCDOL employees. The act prohibits elected officials from accepting gifts above a certain value. The value of those gifts was decreased and even nonelected officials were included in the prohibition.

Status: Ratified July 27, 2006, and signed by the governor Aug. 4, 2006. Most provisions of this bill became effective Jan. 1, 2007.

HB 2174—Raise Minimum Wage

Introduced May 17, 2006, this bill increases the minimum wage to \$6.15 an hour, effective Jan. 1, 2007. The bill is significant to the department because the Wage and Hour Bureau enforces the wage and hour laws of the state.

Status: Ratified on July 11, 2006, and signed by the governor on July 13, 2007.

HB 2775/HB 2843—Building Code/Industrial Machinery

Introduced May 25, 2006, these bills clarify that industrial machinery is not subject to regulation under the North Carolina State Building Code. Building code officials were not inspecting industrial equipment that was essentially hard-wired into manufacturing facilities because they thought it was a workplace safety issue and under the jurisdiction of NCDOL, which the department disputes.

Status: Referred to Committee on Rules, Calendar and Operations of the House with no action taken.

HB 2886—Disapprove Non-Ionizing Radiation Rule

Introduced June 15, 2006, this bill would disapprove safety rules adopted by the commissioner of labor regarding the hazards of radio frequency electromagnetic fields in excess of the maximum permissible exposure limits established by the FCC while working on communication towers (13 NCAC 07F .0606). This bill was referred to the House Committee on Environment and Natural Resources and heard only once, on July 11, 2006. The bill was never voted on and never moved from this committee.

Status: Since no action taken, rule becomes effective immediately.

SB 602—Technical Corrections Act 2—2005

Introduced May 15, 2005, this bill includes two provisions applicable to NCDOL. The first provision amends G.S. 95-232, making changes to the procedural requirements of controlled substance examinations. The department enforces some of the drug testing statutes. The second provision relates to rules adopted in 2004 by the department regarding communication tower fall protection, specifically 13 NCAC 07F .0605. Language was added to SB 602 that changed the required rescue training period from six months to nine months, a compromise between NCDOL and the communication tower industry. The bill also directs NCDOL to initiate temporary rulemaking proceedings to change the language in 13 NCAC 07F .0605 to reflect the change from six months to nine months.

Status: Ratified July 27, 2006, and signed by the governor Aug. 27, 2006.

SB 664/HB 757—Small Business Regulatory Improvement Act

Introduced on March 16, 2005, this bill requires that state agencies must consider the adverse economic impact of the proposed rules on small businesses when proposing permanent rules. The bill also directs each state agency to review all existing rules to determine the impact on

small business. This bill was referred to the Senate Commerce Committee, which reported a favorable PCS April 27, 2005. The bill was then rereferred to Senate Committee on Appropriations/Base Budget.

Status: At session’s end, the bill was still in Senate Committee on Appropriations/Base Budget with no action taken.

SB 1523 – 2006 Technical Corrections Act

Introduced May 17, 2006, this technical amendment bill includes a provision that repeals G.S. 95-25.3(g), which cross-references a statute that was repealed in 2003 regarding the Wage and Hour Act.

Status: Ratified July 27, 2006, and signed by the governor Aug. 23, 2006.

SB 2036—Strengthen Elevator Safety Laws/Funds

Filed May 25, 2006, this bill authorizes the N.C. Board of Examiners of Electrical Contractors to establish licensure requirements for elevator mechanics and contractors. The bill also directs the Elevator and Amusement Device Bureau to perform one-time inspections of all newly installed private residence conveyances. Additionally, this bill creates a codified Elevator Safety Board. Upon introduction, the bill was referred to Committee on Rules and Operation of the Senate.

Status: At session’s end, this bill remains in Senate Rules Committee with no action taken.

Human Resources

The Human Resources Division supports the department through administration and management of workplace services and the personnel policies and procedures established by the State Personnel Act (N.C.G.S. 126). HR handles all job postings, new hires, transfers, separations and other personnel actions. Working with a third party administrator, Human Resources also administers the department’s workers’ compensation program. The two part-time receptionists in the Labor Building assisted the department in 2006 by responding to 13,191 phone calls.

A comparison of calendar years 2003 through 2006 follows:

	2003	2004	2005	2006
New Hires	33	33	36	37
Separations	38	47	39	44
Promotions	16	25	42	21
Lateral Transfers	16	18	7	15
Job Applications Received	1,824	1,932	1,561	2,021
Personnel Actions Processed	356	423	408	770
Total Positions on 12/31	444	438	428	429
Vacant Positions				20
*Total Employees on 12/31	413	406	412	411
Positions Posted				98
Average Salary Grade				71
Average Employee Age				49
Average Employee Service Months				135

* Includes part-time employees who share one position

Summary of 2006 Workers' Compensation

In 2006, 17 accidents/injuries were reported and filed with the third-party administrator. Only 12 of these claims are recordable according to the OSHA standards. Of these 12, three cases required fewer than 50 days away from work. The list below provides a breakdown on the nature of all reported injuries in 2006.

Type of Injury	Number
Fall/slipped to lower elevation	5
Twisted ankle	1
Ergo, repetitive motion, CTS	8
Strained knee	2
Vehicle accident	1

Amount Paid in Workers' Compensation Medical Expenses	
2003	\$48,554.58
2004	\$29,227.68
2005	\$9,228.28
2006	\$28,699.56

Individual Development Accounts

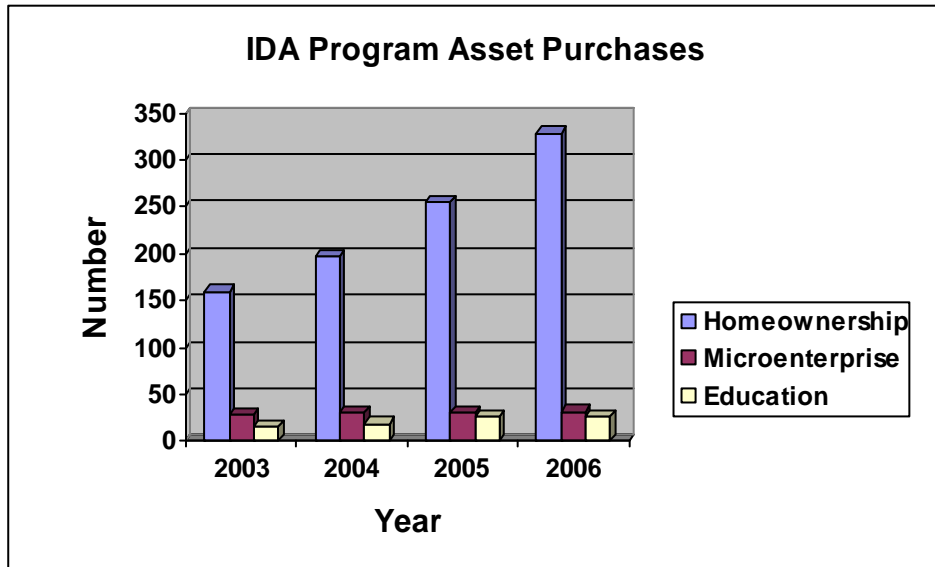
The Individual Development Accounts, or IDA, Program is designed to help low-wealth individuals build assets for the start-up of new businesses, post-secondary educational investments or the purchase of a home. The program seeks to provide assistance to low-income individuals toward attaining self-sufficiency.

The N.C. Department of Labor continues to play a major role in the IDA movement. The division is working in partnership with the IDA and Asset Building Collaborative of North Carolina, the N.C. Division of Community Assistance, the N.C. Housing Finance Agency, and the N.C. Division of Social Services to support and increase the number of IDA programs in North Carolina.

The NCDOL IDA Program continues to host trainings for IDA program sites throughout the state, bringing in outside speakers as well as involving members of local program staff who are knowledgeable in various aspects of the program. The training focuses on IDA implementation, best practices, effective outreach and other critical aspects of program development. This training provides valuable information and serves as a support network for everyone involved. This year the department provided funding to organizations in Carteret and Guilford counties. The department received a one year extension on its second Assets for Independence (AFI) grant. It was also awarded a third AFI grant that will provide funds to match an additional 75 IDA accounts.

In October 2006, Commissioner Berry accepted a Homes4NC Affordable Housing Achievement Award on behalf of the N.C. Individual Development Account Program. The award was given by the N.C. Association of Realtors Housing Opportunity Foundation.

According to year-end statistics for 2006, the NCDOL IDA Program consists of 27 sites that serve 44 counties.



Total Graduates From NCDOL IDA Programs

By the end of 2006, a cumulative total of 388 participants had graduated from the IDA Program in homeownership, microenterprise or postsecondary education. These graduates purchased 329 homes, started 32 businesses and made 27 educational investments.

Total Savings, Matched Funds and Assets in NCDOL IDA Programs

From 1999 to 2006, IDA account holders saved an aggregate \$1,493,968, acquired more than \$730,000 in matching grant funds, and purchased an estimated \$27,055,977 in assets.

Information Technology

The Information Technology Division provides the N.C. Department of Labor with information technology service for the conception, design, engineering and acquisition of all hardware and software, while providing daily service and support through installation, operation and maintenance of computers, servers, printers, local area networks and wide area networks. Support is provided to all software and server operating systems as well as database design and administration. Service and support are also provided to a federal-level information system connected to the Occupational Safety and Health Division. The IT Division establishes and promotes policies and procedures for information technology and develops short- and long-range technology goals, plans and budgets.

This year was one of significant challenge to maintain normal delivery service and support considering the personnel turnover encountered with the departure of three employees. In spite of these departures, the division continued to provide improved service and support to the department. Emphasis was placed upon more frequent contact with the business units to promote a greater understanding of requirements, while providing more responsive and efficient technical services. The following reflects activities of the IT Division throughout the year.

PC Support Section

- PC Support Section leader performed as interim IT director from May until October in addition to normal duties.
- Purchased a total of 63 personal computers and laptops.
- Coordinated the move of the NCDOL network infrastructure into the state Enterprise Secure Access Point model.
- Installed a storage area network as backup for Filenet data.
- Set up server for Trend Micro antivirus protection.
- Maintained daily backups of Novell and intranet servers.
- Visited Charlotte, Asheville, Winston-Salem and Wilmington nine times throughout the year in support of PC operations such as IP changeover, virus protection and firewall maintenance.
- Continued administration of Novell server, intranet servers and NCMail for the department.
- Hired new computer support technician II.

Monthly Help Desk Calls			
Month	Non-OSH	OSH	Totals
January	81	38	119
February	120	96	216
March	134	89	223
April	82	53	135
May	97	65	162
June	110	44	154
July	70	44	114
August	102	104	206
September	70	38	108
October	79	70	149
November	78	60	138
December	67	40	107
Year Totals →	1,090	741	1,831

Monthly Equipment Service and Setups			
Month	Non-OSH	OSH	Total
January	5	3	8
February	6	6	12
March	3	2	5
April	2	0	2
May	4	4	8
June	7	2	9
July	2	1	3
August	6	2	8

September	9	2	11
October	2	4	6
November	4	2	6
December	0	5	5
Year Totals →	50	33	83

Equipment and Software Purchases													
	PCs and Laptops	Projectors	Printers	Scanners	Camcorders	Wireless Cards	Palms	USB Flash Drives	USB Backup Drives	Digital Cameras	Monitors	Servers	Software
January	1	1						1	1				1
February													
March													
April													1
May	5	1	1										1
June	4	6	3	7				2	2	2			1
July	35		1									1	17
August		2	4	24				10	1	1	24	1	
September	10		20	1		1			1			1	
October	2		54		1		1			1	2		25
November	5												5
December	1							14					1
Totals:	63	10	83	32	1	1	1	27	5	4	26	3	52

Applications Services Section

Occupational Safety and Health

- Developed a North Carolina company database for Planning, Statistics, and Information Management Bureau from the Reference USA and ESC databases.
- Worked with PSIM to generate public sector, site-specific targeting (SST) assignment and North American Industry Classification System 321 assignment lists.
- Prepared data and generated 2006 safety and health GS targeting lists.
- Enhanced, maintained and supported OSH inspection targeting system, complaint log intakes system, public sector survey system and case file review audit system.
- Wrote and provided ad hoc Ace Reports as needed.
- Participated in OSH monthly telephone conferences.
- Made necessary changes to the four IMIS/NCR systems to change IP address and gateway.
- Reconfigured all IMIS/NCR printers with new IP addresses.
- Wrote data queries for PSIM and Compliance East and West.

- As approving authority for the federal OSHA Extranet site, assisted new employees in registration and approval, and provided assistance in solving log-in problems.
- Assisted system administrators with troubleshooting IMIS/NCR systems and data reject problems.
- Coordinated with Office of Management Data Systems and Tricor (maintenance vendor) to replace/activate DAT backup drives for Consultative Services.
- Converted historical inspection data (1973-1999) from ITS mainframe to NCDOL database.

Standards and Inspections Division

Apprenticeship and Training Bureau:

- Provided Oracle database and stored procedures and testing support to a new Web application developed by a contractor.
- Worked on Apprenticeship's Streamlining Improvement Project.
- Prepared and completed the ESC CFS reports required from Apprenticeship Bureau.

Elevator and Amusement Device Bureau:

- Programs to archive/unarchive elevators and to search for and list archived devices.
- Programs to add, search and list both new devices and those scheduled for alterations.
- Programs to store and search accident reports and send e-mail notification of report entry.
- Modified inspector download program to automatically select assigned counties.
- Inspector PC program modified to store abatement date and building elevator number.
- Added penalty calculation and shutdown notice form to inspector's PC program.

Budget and Management Division:

- Programs to calculate the elevator invoice amount billed, collected and outstanding balance.
- Programs to write off outstanding elevator invoices and calculate and list the write-offs.
- Added means of showing issuing inspector for amounts collected without invoice.

Wage and Hour Bureau:

- Developed a program to create ad hoc YEC certificates for internal users.
- Added e-mail field to outreach Web screens.
- Modified inspector activity report to allow output in Word and Excel formats.

Agricultural Safety and Health Bureau:

- Modified database to store, search and display site notes.

Boiler Bureau:

- Printed 7,487 inspection certificates and 9,063 invoices.
- Server maintenance: configured Aviion Server boot script after system crash; changed IP and gateways on Aviion and Sun servers; worked with ITS to modify Oracle disk space configuration.

Intranet Development

- Maintained intranet site by updating main page as needed.
- Daily/monthly/weekly updates to Standards and Inspections Division pages.

- Added elevator ride manuals and NDT requirements to Elevator Bureau page.
- Daily/monthly/weekly updates to OSH Division Director's Office, Compliance Bureau and PSIM pages.
- Updated Library, Human Resources and Budget pages.
- Updated safety and health program pages.
- Updated department phone lists.
- Updated and maintained employee auction site.

Internet Development

- Updated and maintained online information for more than Star sites from across the state.
- Developed online form for companies/individuals to order new labor law posters, therefore improving citizen interaction.
- Incorporated Gold Star Grower video for the ASH Bureau.
- Updated training calendar for Mine and Quarry, Wage and Hour and Occupational Health and Safety Division.
- Updated Wage and Hour fact sheets to reflect the Jan. 1, 2007, minimum wage increase.
- Updated files for PSIM to reflect the latest statistics for workplace safety and health.
- Updated information for Apprenticeship and Training Bureau, including contest winners from across the state.
- Updated and maintained links and files for the entire department as needed.
- The Internet site was redesigned and was unveiled in February 2006.
- Created forms for elevator that they can submit online.
- The site had about 600,000 hits for the year.

Legal Affairs

The Legal Affairs Division of the N.C. Department of Labor advises the commissioner and the department on a wide variety of legal issues. Among other things, Legal Affairs monitors all legal issues related to the department, reviews and refers cases in need of litigation to the Attorney General's Office, advises the commissioner and the department when policy developments involve legal issues, conducts legal reviews of policies and procedures, and conducts rulemaking activities for the department.

In 2006, Legal Affairs continued to face one major case that affected thousands of North Carolina workers. A brief description of the case is as follows:

Pillowtex Corporation Bankruptcy

On July 30, 2003, Pillowtex Corporation announced that it was filing for Chapter 11 bankruptcy protection in the U.S. Bankruptcy Court for the District of Delaware. This sent shockwaves throughout state and resulted in the largest single layoff in the state's history—nearly 5,000 employees. Many of these employees filed complaints with NCDOL's Wage and Hour Bureau based upon the company's failure to pay earned vacation with pay or its equivalent as a cash bonus.

NCDOL conducted an investigation and filed a Proof of Claim with the U.S. Bankruptcy Court on behalf of the employees on Jan. 27, 2004. The Proof of Claim, in excess of \$14.6 million, covers all of the former Pillowtex employees who lost their jobs in North Carolina. The Legal Affairs Division has been instrumental in fielding the continuous telephone calls and e-mails from concerned employees inquiring about the status of their claims.

In March 2006, an agreement was circulated proposing a settlement of the vacation and WARN Act claims of former union employees. This settlement provided an average payout of 24.5 days pay to the eligible former union classified employees and included the vacation claims filed by NCDOL. Each eligible employee was mailed a settlement package and was provided a form for accepting or rejecting the settlement. The settlement agreement was approved by the U.S. Bankruptcy Court in May 2006, and payments began reaching the former employees in July 2006.

In December 2006, a settlement agreement was circulated with regards to the remaining non-union hourly and salaried employees who were part of a class action suit. This proposed settlement agreement includes the vacation claims filed on behalf of employees by NCDOL and is similar in nature to the earlier agreement which settled the union claims. It also proposes an average payout of 24.5 days pay for each eligible employee. The settlement agreement is scheduled to be heard before the U.S. Bankruptcy Court on Jan. 28, 2007, and, if approved, should allow for payment to the eligible employees sometime during the spring of 2007. One large difference in this agreement and the one that addressed the union claims is that the attorneys who were hired to file the class action suit are asking for one-third of each WARN claim to be applied to their attorney fees. This request is pending approval by the court and, if approved, will result in a lower net payout for these employees.

Additionally, as of December 2006, an amended Disclosure Statement (“Plan”) had also been filed with the U.S. Bankruptcy Court which includes, among other things, provisions for former salaried employee severance claims payment. Disclosure packages were mailed to the eligible employees in December 2006 and this matter should be back before the U.S. Bankruptcy Court for review and possible approval in February 2007.

Continued monitoring of this case is ongoing, and Legal Affairs hopes that the issues surrounding the employee claims will be concluded soon in order to give the remaining former employees some much needed closure on this matter.

Rulemaking

In 2006, the commissioner initiated rulemaking for the Boiler and Pressure Vessel Bureau, Elevator and Amusement Device Bureau, the Mine and Quarry Bureau, the Occupational Safety and Health Division, and the Wage and Hour Bureau. A brief discussion of each action follows:

Boiler and Pressure Vessel Bureau

Inspection Fee Increase (13 NCAC 13.0213)

Due to increasing expenses and a decreasing revenue caused by large industry closures, the NCDOL Boiler and Pressure Vessel Bureau experienced a shortfall in revenue. Therefore, in order to maintain its ability to provide quality and effective inspections, NCDOL proposed to increase the fees charged to conduct inspections of boilers, pressure vessels and heat exchangers in the state for the first time since 1997. Permanent rulemaking was initiated on Oct. 18, 2005,

and the amended rule became effective March 1, 2006. It was subsequently amended to correct certain statutory citations, and the most recent effective date of 13 NCAC 13.0213 is July 1, 2006.

(Statutory Changes: adoption of 13 NCAC 13.0422-.0423; amendment of 13 NCAC 13.0101, .0103, .0201, .0212, .0301-.0306, .0401-.0402, .0404-.0411, .0414-.0416, .0419-.0421, .0501, .0701-.0703, .0705, .0801-.0809, .0811-.0813, and repeal of 13 NCAC 13.0102, .0704, .0706, .0815, .0817.)

Certain technical/general amendments, adoptions and repeals were necessary to ensure that the N.C. Administrative Code remained consistent with the Boiler Safety Act after changes made during the 2005 Session of the N.C. General Assembly. With the exception of 13 NCAC 13.0817, the adopted, amended, and/or repealed rules became effective July 1, 2006. The repeal of 13 NCAC 13.0817 became effective Nov. 1, 2006.

Elevator and Amusement Device Bureau

Passenger Tramway Inspection Fee Schedule (13 NCAC 15.0705)

The authority to charge fees for inspections of passenger tramway devices conducted by the Elevator and Amusement Device Bureau was repealed during the 2001 session of the N.C. General Assembly. During the 2005 session, the authority to charge fees for these inspections was restored. NCDOL enacted an emergency rule to set these fees, which was effective Sept. 19, 2005. Permanent rulemaking was initiated, and the rule became effective May 1, 2006.

Regulation of Waterslides (13 NCAC 15.0440)

Pursuant to N.C.G.S. 95-111.4, the commissioner of labor has the authority to adopt rules and regulations governing the design, construction, installation, plans review, testing, inspection, certification, operation, use, maintenance, alteration and relocation of amusement devices. While inspections have continuously been performed on waterslides, there was no rule setting forth standards for inspectors to follow nor by which the owners/operators were required to comply. Clarification to private industry of the specific standards followed by the N.C. Department of Labor Elevator and Amusement Device Bureau for regulation of waterslides was needed. Therefore, 13 NCAC 15.0440 was adopted to set forth these standards. The rule became effective Dec. 1, 2006.

Amusement Device Inspection Fee Schedule (13 NCAC 15.0703)

The N.C. Department of Labor proposed to amend 13 NCAC 15.0703 in order to clarify the fee for inspection of rock walls. Certain rock walls are considered “amusement devices” pursuant to N.C.G.S. 95-111.3(a), and have been inspected as such in the past. This proposed rule would clarify the fee that is charged for those inspections and is consistent with what has been charged for those inspections in the past. Additionally, the Amusement Device Safety Act authorizes the commissioner of labor to establish fees “not to exceed \$250.00 for the inspection and issuance of certificates of operation.” The current fees were established through temporary rulemaking on Oct. 17, 2001 and became permanent on July 1, 2003. Since that time, expenses associated with the inspection of amusement devices throughout the state have increased such that it is necessary to increase the fees charged for said inspections. Public comments regarding the proposed fee increase have been received, and the required public comment period ends on Feb. 13, 2007. All comments, both oral and written, will be reviewed by the commissioner and staff accordingly. The proposed effective date of this rule is April 1, 2007.

Mine and Quarry Bureau

Education and Training Fees (13 NCAC 06.0601)

During the 2005 session of the N.C. General Assembly, the NCDOL Mine and Quarry Bureau budget was reduced by \$270,000, thereby converting the bureau into a partially fee-based program. NCDOL enacted emergency and temporary rules establishing fees for people attending education and training programs offered by the bureau. The emergency rule was effective Sept. 13, 2005, and the temporary rule was effective Nov. 1, 2005. Permanent rulemaking was initiated on May 5, 2006. However, the Mine and Quarry Bureau budget was restored by the N.C. General Assembly during the 2006 short session, thereby rendering the rule unnecessary. The temporary rule was allowed to expire in August 2006, and fees are no longer charged by the Mine and Quarry Bureau for education and training classes.

Occupational Safety and Health

Communication Towers (13 NCAC 07F.0601 to .0609)

Beginning in 2000, NCDOL began working on a uniform set of rules to protect workers during the construction, erection, installation, operation, maintenance, and disassembly of communication towers. This would prove to be one of the largest rulemaking projects in the history of the department, and the Legal Affairs Division served a leading role. The impetus behind these rules was the growth of the cellular phone industry and the need for more and more towers to be constructed across the country. To address this growing hazard, NCDOL began working with members of the communication tower industry to compile a list of standards applicable throughout the industry to protect the employers and employees who work in the industry from the very real dangers they encounter every day.

Thereafter, NCDOL initiated rulemaking activity to adopt nine administrative rules, including the following: 13 NCAC 7F.0601—*Scope and Application*; 13 NCAC 7F.0602—*Definitions*; 13 NCAC 7F.0603—*Employer Responsibilities*; 13 NCAC 7F.0604—*Hazard Identification and Assessment*; 13 NCAC 7F.0605—*Fall Protection*; 13 NCAC 7F.0606—*Non-Ionizing Radiation*; 13 NCAC 7F.0607—*Hoists and Gin Poles*; 13 NCAC 7F.0608—*Record Keeping*; and, 13 NCAC 7F.0609—*Training*. By Sept. 2, 2005, eight of the nine rules were in effect with some becoming effective as early as Feb. 1, 2005. The final rule, 13 NCAC 07F.0606, was approved by the Rules Review Commission in February 2005, but due to industry objections, was subjected to legislative review. The same was considered when the N.C. General Assembly convened its short session in May 2006. The bill filed in opposition to the rule failed to pass, and 13 NCAC 07F.0606 became effective July 28, 2006.

Additionally, effective Aug. 27, 2006, Section 102(b) of Senate Bill 602/S.L. 2006-264 (=H668) provided that the N.C. Department of Labor may adopt temporary rules in connection with its requirements regarding fall protection for tower climbers. Therefore, an amendment of 13 NCAC 7F.0605—*Fall Protection* became necessary to adopt changes set forth by the N.C. General Assembly. An amended temporary rule was filed on Sept. 6, 2006, and became effective Oct. 31, 2006. Permanent rulemaking was also initiated with a proposed effective date of Feb. 1, 2007.

Wage and Hour Bureau

Statutory Changes (amendment of 13 NCAC 12.0202, .0304 -.0307, .0402 -.0405, .0601, .0703, .0804; repeal of 13 NCAC 12.0409)

Due to changes made during the 2005 Session of the N.C. General Assembly, certain administrative rule changes were needed in order to ensure that the N.C. Administrative Code remains consistent with the Wage and Hour Act. Permanent rulemaking was initiated on Aug. 24, 2006, and with the exception of 13 NCAC 12.0601, .0703 and .0804, the above rules became effective Jan. 1, 2007. The remaining referenced rules are proposed to become effective on April 1, 2007.

Controlled Substance Examination Regulation (amendment of 13 NCAC 20.0101; repeal of 13 NCAC 20.0302 and .0303)

Effective Aug. 27, 2006, Section 52(b) of Senate Bill 602/S.L. 2006-264 (=H668) provided that the N.C. Department of Labor shall adopt temporary rules to clarify the procedural requirements for the administration of controlled substance examinations. Therefore, in order to remain consistent with G.S. 95, Article 20, it was necessary to amend 13 NCAC 20.0101 and repeal 20.0302 and .0303. A temporary rule was filed on Sept. 6, 2006, and became effective Nov. 30, 2006. Permanent rulemaking was also initiated with a proposed effective date of Feb. 1, 2007.

Research and Policy

The primary responsibility of the Research and Policy Division is collecting information and data for use by the commissioner of labor. The division develops and implements special programs and projects. The division also provides staff support to the commissioner and other divisions within the department. The division helps to establish and revise policy guidelines and assists all other divisions and bureaus in the department.

The Safety and Health Survey Section of the division collects, reviews, refines and publishes injury and illness survey data for certification to the U.S. Bureau of Labor Statistics. The data—used by both state and federal departments of labor—provide an accurate measurement of the work-related injury and illness rates, and demographic and case characteristics data on employees in North Carolina.

The survey section also codes, analyzes and publishes statistical data on occupational fatalities in the state to build the BLS-sponsored Census of Fatal Occupational Injuries (CFOI). The information is obtained from employers, death certificates, medical examiner reports and other sources. Fatality and injury and illness information enables NCDOL to better understand how and where accidents are occurring. The figures also are used to assist those industries with high rates of injuries and fatalities to target safety and health education and training where needed.

BLS released the figures for fatal occupational injuries for 2005 in September 2006. North Carolina suffered 165 worker deaths in 2005, nearly a 10 percent decrease from 2004. BLS also released the injury and illness survey results. The state incidence rate for injuries and illnesses in the private sector was 4.0 for every 100 full-time employees in 2005, which is below the national average of 4.6. The 2005 figure marks the fourth consecutive year that North Carolina has recorded one of its lowest rates on record.

Occupational Safety and Health

Agricultural Safety and Health Bureau

As mandated by the Migrant Housing Act of North Carolina, N.C.G.S. §95-222 through §95-229, the Agricultural Safety and Health Bureau conducted preoccupancy inspections of migrant housing. The bureau completed 1,080 preoccupancy housing inspections and issued certificates to 1,193 sites. The bureau also conducted 53 post-occupancy compliance inspections.

Gold Star Growers

In 2006, luncheons were held in Mount Olive and Raleigh to celebrate the 12th year of the Gold Star Grower recognition program. Eighty farmers received the double Gold Star Grower award, and 53 received the single Gold Star award. Growers received Gold Star designation because they were in full compliance with housing regulations at the time of their preoccupancy inspection, had registered 45 days prior to occupancy, had requested water and septic checks from the local health department, and had demonstrated a willingness to continually improve workplace safety and health conditions. Double Gold Star Growers are eligible to conduct their own housing inspections for one year if they attend the luncheon and comply with registration and rules involving water and septic sanitation. Currently, one Gold Star Grower has received a Gold Star flag for being in full compliance with all OSH standards applicable to agriculture.

Compliance

Three ASH inspectors conducted 62 compliance inspections in 2006. These inspections included two fatalities, four complaints, 27 referrals and 25 programmed inspections that focused on field sanitation compliance. One employee suffered a heat stroke, a focus of outreach this year, and one employee died after an accident involving a tobacco harvesting machine. Overall, 162 violations were issued in 2006. About 22 percent of the inspections resulted in no citations. Of the total inspections, 3.2 percent are currently in contestment. Citation penalties in 2006 totaled \$156,675. A number of unregistered, uncertified camps were discovered during 2006.

Formal Training and Outreach

ASH collaborated with several other state agencies to help train more than 200 Christmas tree workers in June. The hands-on training covered such topics as the safe use of chain saws, balers, power take-off shafts and pesticides.

During the late spring, summer and fall, ASH conducted training sessions for 1,360 migrant farmworkers who worked primarily with the H-2A guestworker program. Training included prevention of heat stress and heat stroke, DOL housing regulations, ergonomics training and safe driving. A heat stress poster was developed—*¡El Calor Mata!*—and was distributed to farmworkers throughout the state.

The news bulletin, *The Cultivator*, was produced, and one story was printed in Spanish as well as English. ASH staff, an N.C. State University faculty member, and N.C. Department of Agriculture pesticide inspection staff co-wrote an article, “Violations of Pesticide Use and Worker Safety Regulations in North Carolina,” which summarizes 11 years of agricultural enforcement. It will be published in the 2007 in the *Journal of Agricultural Safety and Health*.

Inspector Training

Inspectors attended numerous week-long compliance courses. ASH employees conducted internal training for OSH compliance officers and training for other organizations, including the N.C. Office of Research, Demonstrations and Rural Health Development and the N.C. Bar Association.

Agricultural Safety and Health Council

ASH conducted two Agricultural Safety and Health Council meetings in 2006. The DVD, *Gold Star Growers: Moving Forward*, debuted at the October meeting. The DVD is available online by visiting the ASH bureau page at www.nclabor.com. East Carolina University's Agro-medicine Program provided funding for the educational DVD, which highlights the safe work practices of Gold Star Growers. The DVD was prepared with the assistance of the NCSU Communications Department.

Partnerships and Associations

The ASH Bureau continues to strengthen partnerships and associations with other groups such as the Sampson County agricultural producers, cooperative extension agents and rural health professionals. ASH personnel provided training at grower organizational meetings during 2006. In addition, a meeting was held to address a group of farm labor contractors about agricultural housing and workplace regulations.

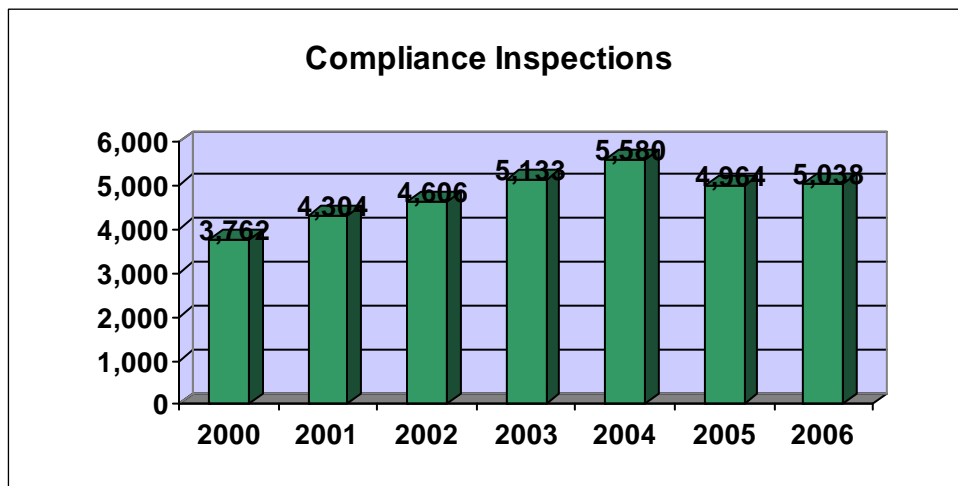
Compliance Bureau

The OSH Compliance Bureau ensures compliance with occupational safety and health laws, rules and regulations; ensures employee protection in workplaces throughout North Carolina; and provides professional industrial hygiene, safety engineering, administrative, training and technical services to all employers within the state of North Carolina. OSH Compliance identifies and analyzes workplace accidents, injuries and occupational illnesses; evaluates workplace safety methods, policies, procedures and programs; communicates workplace safety information to employees and employers; measures, analyzes and evaluates the effectiveness of safety programs as well as affects changes to programs to achieve optimum results in the various workplaces throughout North Carolina. The compliance activities are directly associated with the OSH Division strategic plan.

FY 2006 compliance activities included:

- 5,038 compliance inspections
- 3,523 safety inspections
- 1,515 health inspections
- 2,420 construction inspections
- 8,433 serious hazards abated
- 2,097 employer safety and health program improvements
- 102 inspections associated with the tree felling special emphasis program (SEP)
- 1,710 inspections in the construction special emphasis counties (six counties that previously experienced multiple fatalities in the same year)
- 78 inspections in long-term care facilities

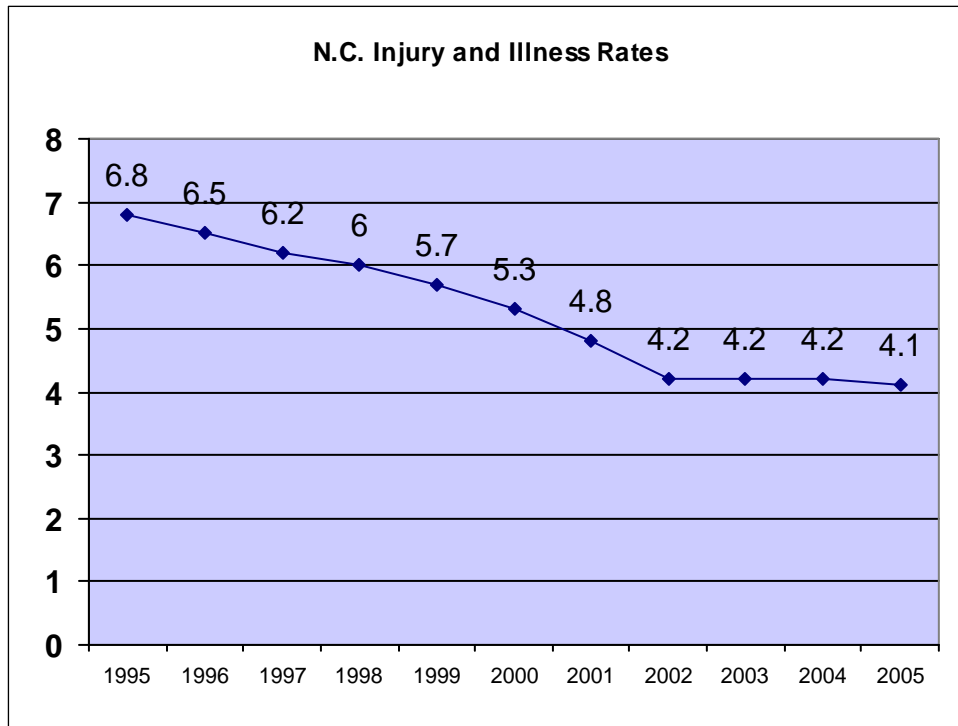
- 184 inspections associated with the health hazards exposure special emphasis program
- 150 site-specific targeting special emphasis related inspections (specific employers with high injury/illness rates)
- 267 inspections associated with public sector special emphasis program
- 337 compliance interventions (includes speeches, training programs and program assistance)
- 170 accident investigations
- 866 complaint inspections/investigations
- 484 safety and health referrals inspections/investigations
- 747 informal conferences associated with compliance inspection activity
- 106 employment discrimination investigations associated with occupational safety and health



OSH Compliance delivers quality service in an effective, efficient manner. OSH Compliance conducts inspections and accident investigations to ensure employees are provided with safe and healthful workplaces. In addition, OSH Compliance provides technical assistance and outreach training to as many employers and employees as resources will permit. Finally, OSH Compliance provides resources to the Star recognition program that recognizes and promotes effective safety and health management programs.

Several tools, in addition to the statewide lost workday incidence and illness rates, are used to monitor inspection quality and operational efficiency. Internal case file audits, field audits, employer/employee feedback and informal conferences are some of the tools used to measure quality and consistency of statewide work product.

Significant turnover rates of experienced safety and health professionals in FY 2006 resulted in fewer compliance inspections compared to a peak in FY 2004. Although the total number of inspections has decreased, the average number of inspections per compliance officer has increased slightly during the same period due to internal process changes and training. In FY 2006, OSH had an average of 7.5 percent fewer compliance officers than in FY 2004.



Additional significant activities that involved OSH Compliance participation during FY 2006 included the following:

- Construction forums were conducted in Charlotte, Greenville, Raleigh and Winston-Salem. The forums provided training related to safety and health hazards that affect constructions workers. Forums were presented in Spanish specifically for Hispanic workers.
- The partnership agreement that was signed with Skanska USA and Barnhill Contracting in April 2005 to cover the construction of the new Raleigh Civic Center celebrated 500,000 safe man hours with a luncheon event for employees and friends. This \$192 million dollar project has more than 600 workers.
- NCDOL signed construction partnerships with Verna and Associates on May 13, 2006, and Crowder Construction Company on May 23, 2006. The Verna site includes a 26-story residential condominium site and parking deck in Charlotte. The Crowder site is a waste water treatment plant in Wilmington.
- Compliance personnel participated in the Integrated Management Information System redesign project with federal OSHA. This is a software and hardware redesign that will be implemented and used in all OSH programs nationwide.
- Operational Procedure Notice 135 that describes the special emphasis program (SEP) for exposures to health hazards including lead, silica, asbestos, styrene, and isocyanates was completed. An NCDOL industry alert was prepared that describes the health emphasis program and emphasizes the five topics.
- An agreement was reached with the N.C. Department of Health and Human Services to secure asbestos removal information to help target for inspection sites that may have exposures related to the health hazards SEP.

- NCDOL continued to receive stakeholder input related to the wood products, furniture and related products SEP. This included meetings attended by the American Home Furnishings Alliance safety committee.
- A committee of division personnel was formed to address hazards associated with dust accumulation in response to a number of industrial accidents.
- More than 30 NCDOL employees responded to the call from federal OSHA for help with clean-up operations after Hurricane Katrina. Employees participated in two-week assignments to either Mississippi or Alabama. The last assignment was made in February 2006.
- OSH Compliance has taken a lead role in communication tower safety and health. Compliance staff led industry consensus work groups during the rule drafting stage. The final section of the standard, non-ionizing radiation, was approved by the N.C. General Assembly in FY 2006. The standard requires 100 percent fall protection.
- The National Incident Management System training program was developed for OSH personnel, including OSH Emergency Response Team members.
- OSH conducted the first test of the Continuity of Operations Plan to assure continuation of essential operations during an emergency.
- NCDOL commented on the U.S. Chemical Safety and Health Investigation Board proposed rule related to the control of evidence on accident scenes. The state has been on a number of sites with board employees.
- A hazard alert was prepared that describes the dangers of truss work.
- OSH determined through a review of items cited under the Life Safety Code that most could have been cited under that Subpart E of the OSHA standards and the hazards would have been sufficiently abated. For this reason, the Life Safety Code was repealed in North Carolina on Dec. 1, 2005. Another consideration was the fact that after the Life Safety Code was adopted by the state, a more user-friendly Subpart E had been promulgated by federal OSHA.

Consultative Services Bureau

The Bureau of Consultative Services continued to provide services to the employers and employees in both the private and public sectors during FY 2006. The bureau conducted 1,255 total consultative visits:

- 934 (74 percent) safety visits; 302 (24 percent) health visits; 19 (2 percent) tree felling visits.
- 1,016 (81 percent) initial visits; 112 (9 percent) training/assistance visits; 108 (8 percent) follow-up visits; 19 (2 percent) tree felling visits.
- 1,043 (83 percent) private sector visits; 193 (15 percent) public sector visits; 19 (2 percent) tree felling visits.
- 382 (30 percent) manufacturing visits; 346 (28 percent) construction visits; 315 (25 percent) other type visits; 193 (15 percent) public sector visits; 19 (2 percent) tree felling visits.

Hazards identified and eliminated as a result of consultative visits totaled 7,151. Of these, 5,514 (77 percent) were serious hazards and 1,637 (23 percent) were other-than-serious hazards.

In FY 2006 consultants also conducted 828 safety and health interventions, which included speeches, training programs, program assistance, interpretations, conference/seminars, outreach and other interventions.

The federal region IV regional administrator nominated the Consultative Services Bureau for the National On-Site Consultation Achievement Recognition Award (OSCAR), and the bureau won the prestigious award at the 2006 OSHA Consultative Services Conference on Aug. 2, 2006, in Dallas, Texas.

The Safety Awards Program celebrated its 60th year with another successful season. The Gold Award was presented to employer sites with a total lost workday case rate (lost and restricted workdays included) at least 50 percent below the state average for its industry. The Silver Award went to employer sites with a lost workday rate at least 50 percent below the state average. Twenty-nine safety award banquets were held—with a record 3,376 in attendance. There were 1,616 Gold Awards, 315 Silver Awards, and 100 Million-Hour Safety Awards for a total of 2,031 annual safety awards distributed in FY 2006.

The recognition programs also enjoyed another year of growth and success. Sixteen new Star sites were recognized, 21 Star sites were recertified, and 64 first-time Star interventions were conducted. There are currently 94 companies in the Star Programs.

The recognition programs continue to utilize resources provided by the Compliance Bureau for on-site evaluations, with Compliance and Education, Training and Technical Assistance helping to promote participation in the recognition programs.

Consultative Services Bureau FY 2006						
COMPARISONS	FY01	FY02	FY03	FY04	FY05	FY06
Safety	592	661	830	803	713	934
Health	227	268	365	351	368	302
Tree Felling	37	11	27	14	12	19
Total	856	940	1,222	1,168	1,093	1,255
COMPARISONS	FY01	FY02	FY03	FY04	FY05	FY06
Initial	639	772	997	945	884	1,016
Training and Assistance	115	108	106	109	101	112
Follow-up	65	49	92	100	96	108
Tree Felling	37	11	27	14	12	19
Total	856	940	1,222	1,168	1,093	1,255
COMPARISONS	FY01	FY02	FY03	FY04	FY05	FY06
Manufacturing	321	218	294	272	254	382
Construction	250	250	258	220	271	346
Other	174	276	315	393	351	315
Public Sector	74	185	328	269	205	193
Tree Felling	37	11	27	14	12	19
Total	856	940	1,222	1,168	1,093	1,255

The bureau continues to reach small employers and encourage participation in the Safety and Health Achievement Recognition Program. In FY 2006 the bureau recognized 34 SHARP-related worksites. There are currently 48 SHARP-related worksites.

Education, Training and Technical Assistance Bureau

The ETTA Bureau continued to focus on increasing efficiency in providing outreach training to workers in high-risk industries and on affirming its role in the areas of homeland security and emergency preparedness. The work of the bureau included rulemaking, partnerships, training, outreach, homeland security and publications.

Rulemaking

The bureau work plan included rules clarifying and specifying safety and training requirements for workers as well as the review, evaluation and adoption of other OSHA standards. Final rules that were adopted during the year included: revocation of a provision within the steel erection standard which addresses slip resistance of structural steel; setting a new standard containing an action level and a lower permissible exposure level for occupational exposure to hexavalent chromium; revision of standards that regulate testing of roll-over protective structures used to protect employees who operate wheel-type tractors; and revision of the existing respiratory protection standard that added definitions and requirements for assigned protection factors and maximum use concentrations.

Partnerships

The bureau has a number of partnerships that benefit North Carolina workers. The division signed or renewed 10 of these partnerships or alliances in FY 2006. Partnerships that exist and work to achieve some common interest include: Carolinas Roofing and Sheet Metal Contractors Association, Patterson & Wilder Construction Co. Inc; Skanska-Barnhill Raleigh convention center project; and Verna and Associates.

Training

During FY 2006 the bureau further expanded its offerings of 10- and 30-hour courses tailored to the strategic emphasis items in North Carolina. Outreach continues to provide training to workers in high-risk industries such as construction, logging and agriculture at or near their worksites. The OSH Division provided training for 16,627 employers and employees in FY 2006, bettering its results from the previous year. The division is well on the way to exceeding its former amended goal of 100,000 people trained for the period FY 2004 through FY 2009.



Outreach

All areas of ETTA are involved in outreach efforts. The standards section responded to 5,271 electronic or telephone inquiries in FY 2006. The training section offered more than 170 courses, forums and workshops, and provided booths at many health and safety and industrial conferences.

Emergency Response and Homeland Security

The bureau had two major emergency responses in the state and also assisted in out-of-state efforts. The roles, responsibilities and needs relative to emergency response and homeland security have been better defined and expanded, and internal training has been offered or planned. The department's State Emergency Management Plan (SEMP), one of the first of its type in the country, is being improved and the additional equipment required to meet objectives has been purchased.

Publications

In FY 2006, the bureau distributed 56,479 hard copy publications in support of the division's outreach and regulatory goals of the division. Safety and health publications are available for purchase or electronic download from the departmental Web site and from the state portal through the N.C. Department of Labor e-Store. The bureau maintained an exceptional turnaround rate in FY 2006, averaging one workday from the receipt of an order to the day of shipment.

Planning, Statistics and Information Management Bureau

The Planning, Statistics and Information Management Bureau responds to statistical data requests and requests for the release of OSH Division investigative file documents. PSIM also gathers and analyzes injury and illness data by conducting two annual surveys, the Public Sector Survey and the OSHA Data Initiative. The bureau also archives all OSH Compliance investigative files. The PSIM Bureau maintains the OSH Division inspection targeting system and maintains statistical data in support of the OSH Division's Strategic Plan.

FY 2006 Highlights and Accomplishments

- Completed the Public Sector Survey, which is a collection of calendar year 2005 injury and illness data from 3,214 employers, with a 99.6 percent response rate and a 100 percent clean rate. A total of 28 non-responders were referred to the Compliance Bureau.
- Updated and released a public sector targeting schedule using 2004 data.
- Analyzed private sector site-specific assignment results.
- Completed FY 2006 Occupational Fatality Investigation Review.
- Various targeting schedules were updated to include change to NAICS codes and assignments were released:
 - Site-specific targeting schedule
 - Public sector schedule
 - General industry schedule
 - Agricultural safety and health schedule
 - SIC 24-25 schedule (revised to include NAICS code 321 only)
 - Fatality re-inspection schedule

- Development of an OSH private sector database to supplement our exclusive use of the Employment Security Commission database was completed.
- Establishment Site Information Change form was added to the targeting system for compliance officers to electronically submit site changes to PSIM.
- Analyzed fatality re-inspection targeting schedule.
- Developed and initiated a communications tower targeting schedule.
- Revised the lead and silica/health hazards targeting schedule to be incorporated into the general industry schedule.
- PSIM staff member was assigned to become co-team leader of the Construction SEP Committee.
- PSIM staff member participated on a combustible dust committee.
- Served as facilitators of the construction industry forums in Raleigh, Greenville, Winston-Salem and Matthews.
- Collection of OSHA Data Initiative data for CY 2005 officially concluded in October 2006 with a 97 percent response rate and a 99 percent clean rate. Three survey mailings and more than 900 phone calls were made to 3,258 survey participants resulting in only 74 non-responders who were referred to the Compliance Bureau.
- Bureau operating procedures were updated as needed.
- OSH Annual Comparison Report was printed and distributed.
- 130 boxes of closed OSH inspection files from FY 2006 and before were sorted and boxed for shipment to an external imaging contractor.
- Received 831 disclosure requests in FY 2006 and processed 728 requests during this fiscal year.

Standards and Inspection Division

Apprenticeship and Training Bureau

The Apprenticeship and Training Bureau is the administrator in North Carolina of the National Apprenticeship Act of 1937. The bureau approves apprenticeship programs, maintains records and issues completion certificates to apprentices who complete apprenticeship training.

The bureau's primary roles, working through its consultants, are to promote and develop new apprenticeship programs among North Carolina employers, to service existing programs, and to certify completers.

In North Carolina, apprenticeship is a voluntary system of employee training combining on-the-job training and related instruction to form a quality training system for employers throughout the state. The apprentice learning a trade is taught by a skilled journeyman.

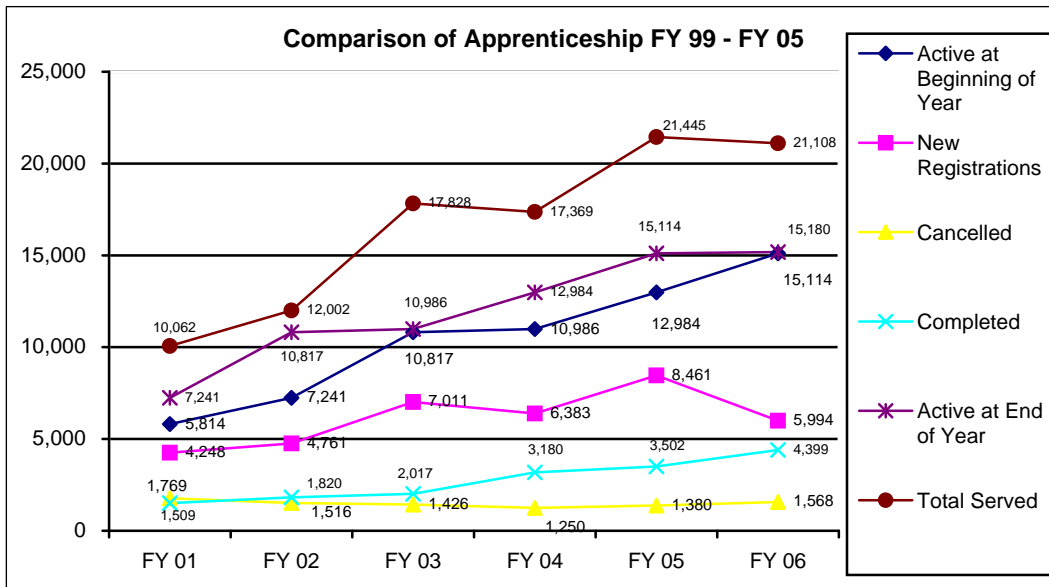
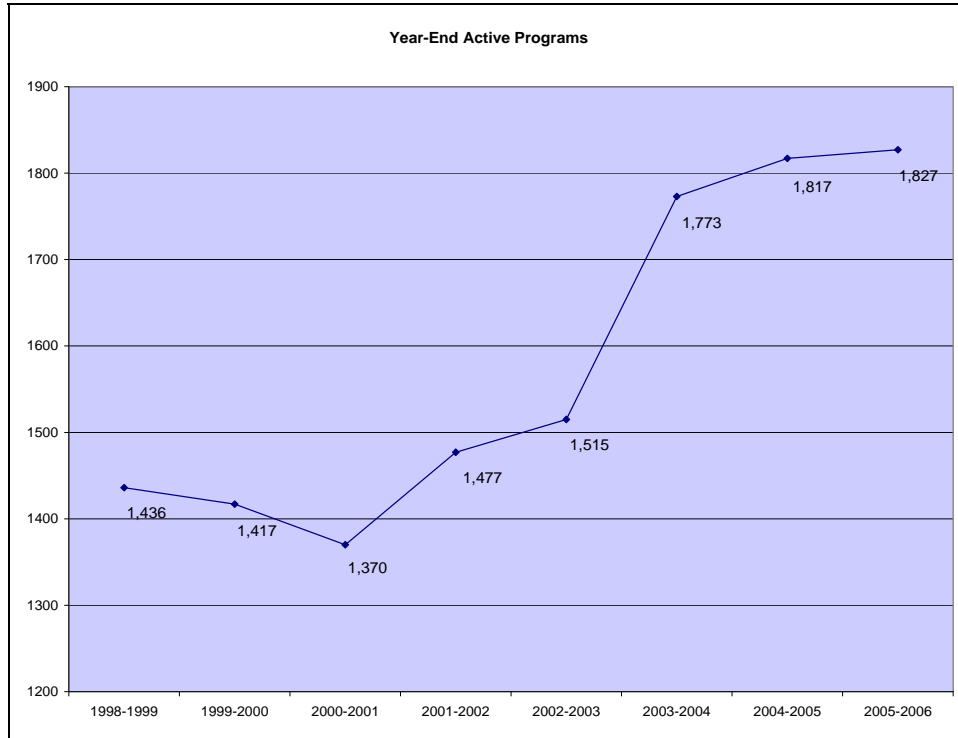
Related technical instruction, the core technical training of about 144 hours per year, is typically provided by a local community college or a local training vendor. Apprenticeship is a practical, effective and cost-efficient mechanism for the training of essential high-skilled workers needed by business and industry in the state.

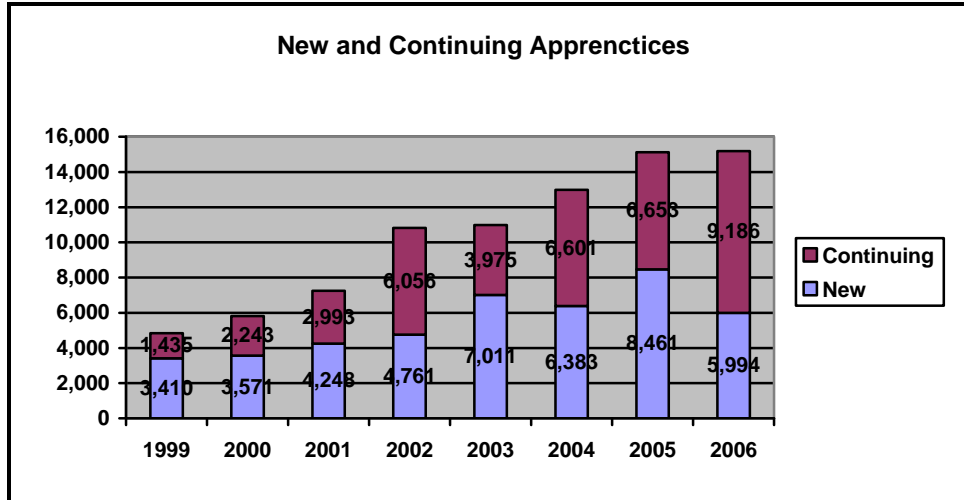
Apprenticeship programs, which generally take three years to four years to complete, are established in 925 occupations in North Carolina. Wages usually begin at about half the journeyman rate, but never below minimum wage, and rise as the apprentice progresses through the program, gaining skill and competence.

FY 2006 Highlights and Accomplishments

- The number of completions (4,399) in FY 2006 rose 20 percent compared to the number of completions (3,502) in FY 2005. The increase is attributed to a high number of completions in the correctional officer program. Completions are apprentices that have completed an apprenticeship training program, includes on-the-job training and related instruction, and who earn their journey-worker certificate as well as receive the journey-worker level of wages.
- The bureau served 21,108 apprentices, a slight decline from the 21,445 served the previous year. It was an 18 percent increase from the 17,369 served in FY 2003.
- The number of cancellations 1,568 in FY 2006 rose 12 percent compared to the 1,380 cancellations in FY 2005. The top three industries for cancellations remained construction (386), services (378) and manufacturing (274). Cancellations are registered apprentices who exit their program before earning a journey-worker certificate.
- The top industry categories for active apprentices FY 2006 were correctional officers (5,062), public administration (2,822), construction (2,616), services (1,932) and manufacturing (1,450).
- The top five trades among all new registrations in FY 2006 were correctional officer (2,382), nurse's aide or medical services (222), electrician (209), teacher's assistant (162) and powerline technician (148).

- The number of active programs registered with NCDOL stayed consistent. FY 2006 saw a slight increase, even while many plant closing across the state.

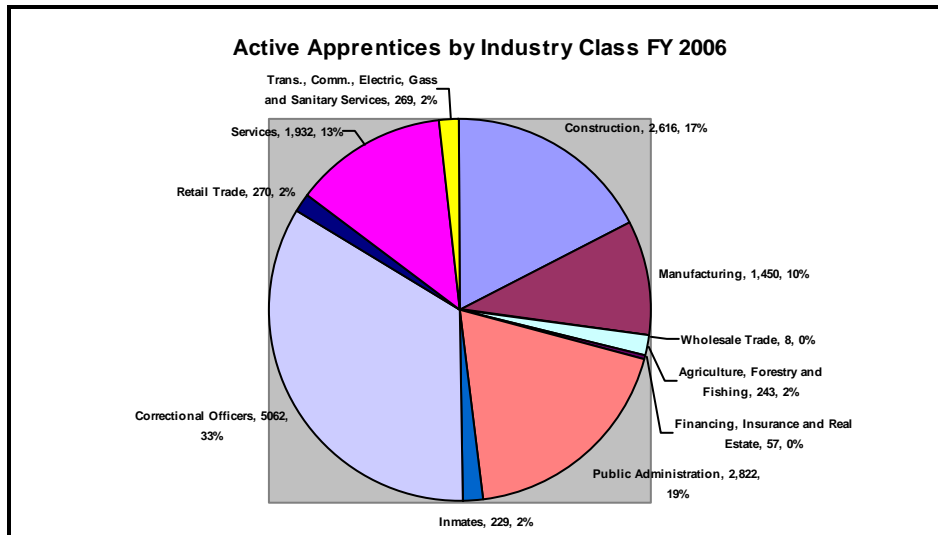




Top 10 Occupations Among Active Apprentices	
Correctional Officer	Fire Fighter
Teacher Assistant	Elevator Constructor Mechanic
Power Line Technician	Nurse's Aide
Electrician	Carpenter
Ironworker	Police Officer

Top 10 Occupations Among Completions	
Correctional Officer	Utility Operator
Teacher Assistant	Maintenance Mechanic
Structural Ironworker	Firefighter
Knitting Machine Operator	Electrician
Nurse's Aide	Knitting Machine Mechanic

Top 10 Occupations Among Registered Apprentices	
Correctional Officer	Police Officer
Nurse's Aide	Elevator Constructor Mechanic
Electrician	Firefighter
Teacher's Assistant	Machine Set-up Operator
Powerline Technician	Project Maintenance



Statewide Program Development

The bureau continued to register statewide programs, which are more efficient in establishing standards and are more efficient for sponsors to operate. New statewide programs were created with the N.C. Department of Corrections, N.C. Highway Patrol and N.C. State Bureau of Investigation.

Master Craftsmen

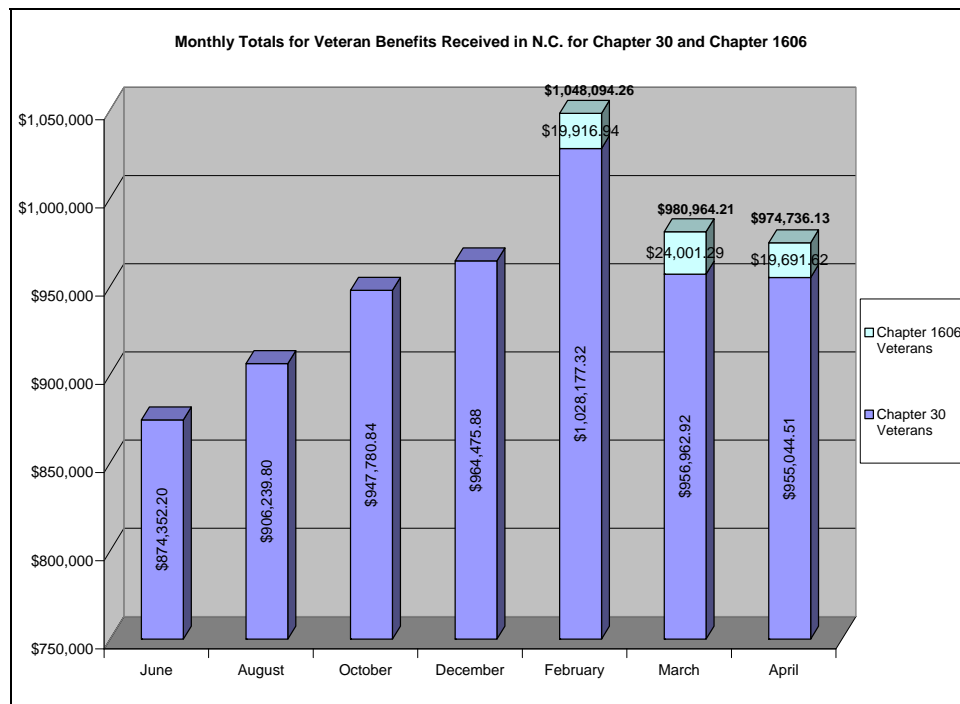
The master craftsman program is designed for the journey-worker level employee who would like to enhance his or her overall education and on-the-job experience to become a master in an occupation. The program benefits companies because employees can continue to enhance their skills through more training. The bureau continues to register more master craftsman programs in manufacturing and construction.

State Approving Agency for the GI Bill Benefits

The Apprenticeship and Training Bureau contracted with the U.S. Department of Veterans Affairs in October 2004 to become the state approving agency for GI Bill benefits for eligible veterans training in apprenticeship and on-the-job training programs.

The bureau in FY 2006 approved 36 new apprenticeship programs and 9 new on-the-job training programs. The bureau submitted 74 new occupations to VA for approval. The bureau registered 238 apprentices who are eligible for GI Bill benefits. Veterans in North Carolina have received more than \$2 million in federal, tax-free dollars through their participation in apprenticeship and training programs.

In May 2006 the Apprenticeship and Training Bureau added two new VA apprenticeship specialist positions. These positions are dedicated solely to promoting and developing new training programs for veterans with businesses in North Carolina.



Competency Based Programs

Two job profiling specialists assist business and industry in developing task analysis and competency checklist development. The two positions have helped current and prospective apprenticeship sponsors develop more competency-based training programs. After developing programs, sponsors can move from time-based apprenticeship programs to a competency-based apprenticeship programs.

High School Programs

This year the bureau held seminars to train high school coordinators on the basics of apprenticeship programs and registrations. The efforts resulted in a timelier and more efficient process for registering high school apprentices and programs.

Transition to Trainer Workshop

Our apprenticeship sponsors raised the need for training beyond the journeyman level, either to new supervisors or training for new journeymen who are now training apprentices. The job profiling specialists developed a Transition to Trainer workshop designed for journey workers responsible for training apprentices. Benefits of the workshop include better trainers for supervised on-the-job training; earlier productivity from apprentices; more well-trained apprentices; increased confidence and the ability to train both journeymen and apprentices; and improved image of trades training which will attract top-notch candidates. The workshop was offered across the state in four different locations.

Occupational Course of Study

The Apprenticeship and Training Bureau began a new initiative for students participating in the Occupational Course of Study, which is a program approved by the State Board of Education for selected students with disabilities who have an individualized education program. The bureau provides those students credentials for the skill set work-based training received. In the 2005-2006 school year, the bureau issued 55 recognition of occupational training certificates.

Incarcerated Apprentices

The bureau continued to develop programs for inmates who receive training in apprenticeable occupations. Statewide efforts are underway through a joint partnership with N.C. Department of Corrections and N.C. Department of Labor to enhance the relationship between prisons that provide on-the-job training. So far, more than 900 inmates in 11 facilities have been registered. Out of the 900 inmate apprentices registered, 330 have completed the program, 341 have cancelled out of the program before completing the requirements, and 229 are still active.

The bureau continues to work on a statewide initiative in many of the correction facilities. The goal of the program is to bridge the gap from prison to employment and provide proof of skills learned while imprisoned to help prisoners find jobs upon release.

Boiler Safety Bureau

The Boiler Safety Bureau employs 14 boiler and pressure vessel inspectors, two supervisors, two administrative staff, two senior staff and six administrative personnel to support more than

50,000 mandated inspections. Inspections include high pressure and low pressure boilers, antique boilers, model/hobby boilers, air storage tanks and chemical reactors. Insurance companies also are authorized to inspect boiler and machinery items that they insure. Any inspections conducted by insurance companies are forwarded to the bureau. Insurance companies have about 170 commissioned inspectors; however, only about 55 routinely conduct the inspections.

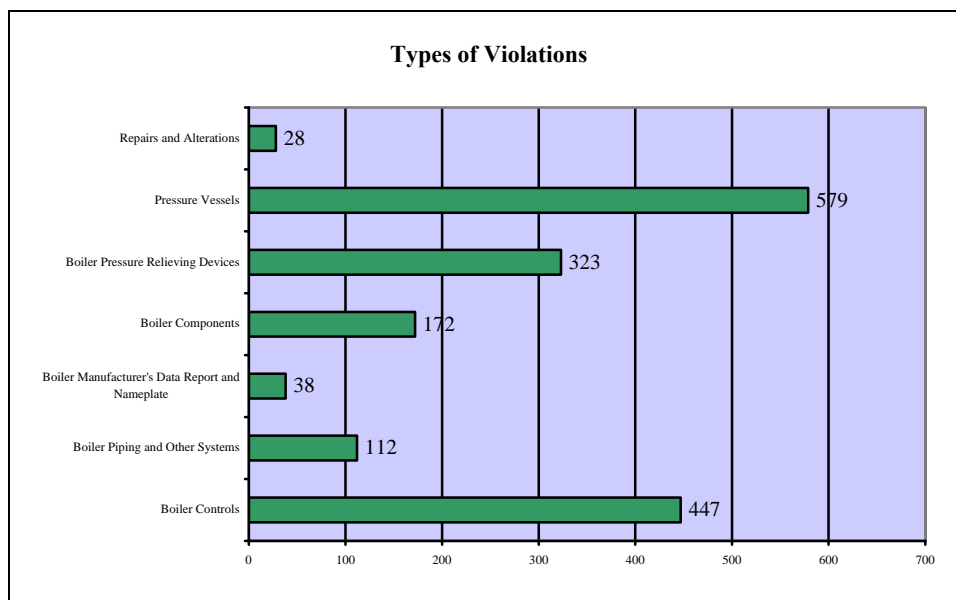
Third-party inspections are conducted at companies where ASME Code conventional and nuclear boilers and pressure vessels are manufactured. Inspectors that conduct these inspections must have special endorsements on their National Board of Boiler and Pressure Vessel Inspectors commission cards. Additional training and testing was required to earn these endorsements.

The bureau moved its data system to Jurisdiction Online in March. The move has enabled us to better schedule and track the work we do. In the future we will be able to further automate ourselves so that inspections may be reported even faster by using hand-held computers.

Accidents, Inspections and Violations

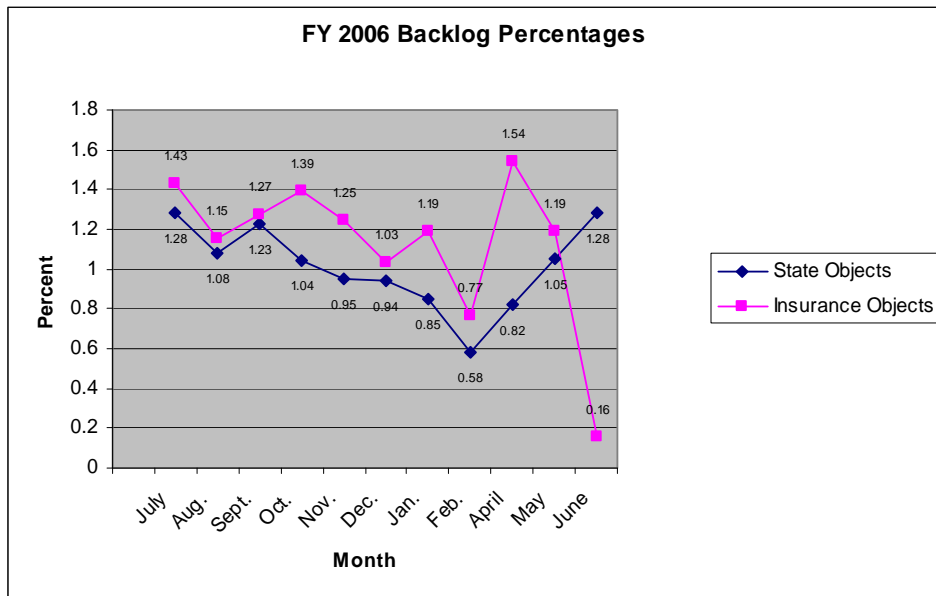
There were five pressure equipment accidents in FY 2006, including one accident where a person burned his hands.

In FY 2006, the bureau processed 52,061 inspections and issued 45,810 certificates of inspection for pressure equipment that passed inspection. About 2,043 new identification numbers were assigned to new equipment. The inspections resulted in 1,699 violations. The violations are tabulated and reported to the National Board of Boiler and Pressure Vessel Inspectors. The National Board then combines these with other reporting states to show how effective inspection programs are across the country and in Canada. These reports can be viewed on the National Board’s Web site found at www.nationalboard.org. The chart below shows the categories of violations that were identified in North Carolina and the total in each category.



FY 2006 Highlights and Accomplishments

- No serious boiler or pressure vessel accidents occurred from pressure boundary failure.
- Citizen satisfaction rate from surveys included in each invoice of more than 95 percent.
- Backlog was kept to just over 1 percent. The backlog consists of equipment that has not been inspected on time as well as equipment that has been inspected but a certificate has not been issued due to open violations.
- Launched master inspector program.
- Receipts collected from inspection paid fully for bureau expenses such as salary and travel.



Elevator and Amusement Device Bureau

The Elevator and Amusement Device Bureau is responsible for the proper installation and safe operation of the 19,590 elevators, escalators, workman's hoists, dumbwaiters, moving walks, aerial passenger tramways, amusement rides, incline railways and lifting devices for persons with disabilities that operate in public establishments (except federal buildings) and private places of employment. It also inspects all amusement devices each time they are set up for operation in the state. The bureau inspects all inflatable amusement devices and portable rock walls that operate in the state on annual basis. The annual inspection of inflatable devices and the rock walls is from March to March.

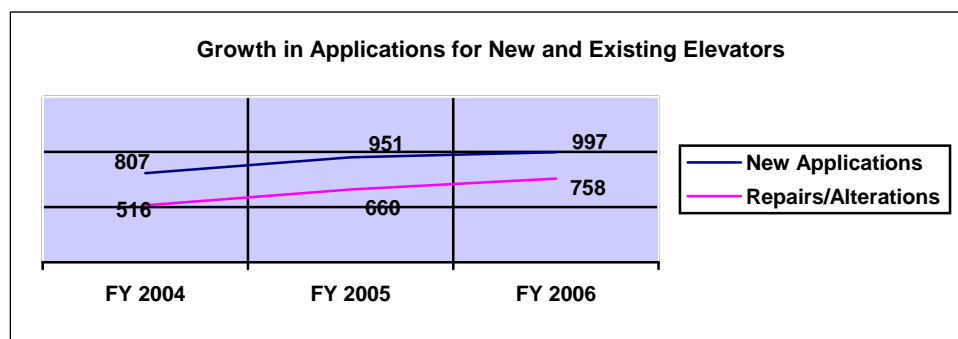
The bureau consists of 30 field inspectors, three field supervisors, four administrative support staff, an assistant chief and a bureau chief. The bureau is receipt supported, which means that the fees collected pay for the operation of the bureau and the salaries of the staff.

FY 2006 Highlights and Accomplishments

- In the past three years, applications for new elevators have increased by 24 percent while applications for alterations and repairs have increased by 47 percent.
- A total of 16,814 routine elevator inspections were completed in FY2006.
- The total number of accident investigations in FY2006 decreased by 22 percent compared to the previous year. An emphasis on inspector training and education at annual industry meetings has been a factor in this decline.
- The bureau continued a statewide rider safety program targeted at elementary school children by distributing 430,500 bookmarks with rider safety tips. Thirty-seven of 45 fairs participated in the program.
- All inspectors were enrolled in the new amusement device inspector apprenticeship program and more than two-thirds have completed the program.
- Bureau management became certified level II inspectors in non-destructive testing.
- Developed a new web-based computer application to electronically process elevator inspection reports from the field directly to the central database.
 - Created a link at our Web page that provides access to the bureau’s elevator inspection database. The public can access information regarding the owner and user company name and address, equipment type, capacity, installed date, number of landings and speed.

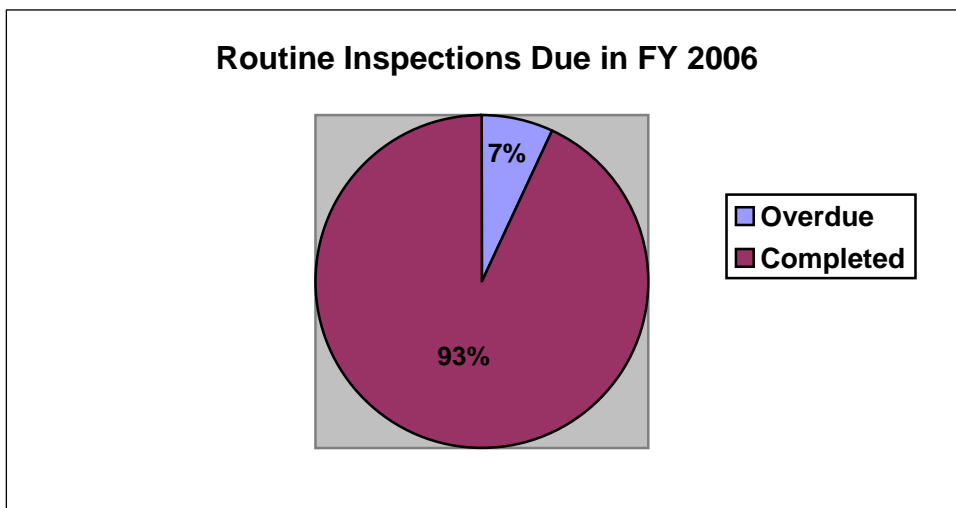
Elevator Inspections

The chart below shows applications for new elevators have increased by 24 percent while applications for alterations and repairs have increased by 47 percent. The total number of routine inspections for the past three fiscal years has remained relatively steady as shown in the table below. A total 18,040 routine inspections were due in FY 2006. The table indicates that 16,814 of those inspections were completed.



About 7 percent—or 1,266—devices were at least one day past due as of July 1, 2006. The percentage of overdue units is a result of several factors, such as personnel on leave for various reasons and an increase in inspection activity. Owners of elevators, escalators, dumbwaiters and moving walkways retain maintenance contracts with elevator contractors who perform maintenance on the related equipment as required by the national code that the bureau enforces. The scope of such maintenance includes the testing of all safety devices specific to the equipment. The code requires this activity to be documented for review by the state inspector.

	FY 2004	FY 2005	FY 2006
New Inspections	976	1,109	1,550
Elevators	820	943	1,038
Dumbwaiters	18	14	57
Escalators	24	28	79
Handicap Lifts	114	124	376
Compliance	390	407	525
Routine Inspections	16,972	17,110	16,814
Elevators	14,890	15,066	14,796
Dumbwaiters	477	487	446
Escalators	558	541	543
Handicap Lifts	1,047	1,016	1,029
Compliance	979	528	455



Amusement Device Inspections

Amusement device inspections consist of hard rides, inflatable rides, go-karts and rock-climbing walls. Tramways and ski lifts also are included in this inspection category. While hard rides at permanent parks such as Carowinds are inspected once annually, hard rides with traveling amusement companies are inspected every time they are set up for operation at fairs, festivals, carnivals and other amusement events. The bureau inspects all inflatable amusement devices and portable rock walls that operate in the state on an annual basis.

The table indicates the number of individual rides inspected, number of violations and the number of sites where inspections were conducted. A violation is sited when there is a repair or replacement required before certification.

	FY 2004	FY 2005	FY 2006
Number of Rides Inspected	5,507	5,587	5,455
Number of Inspection Locations	920	1,002	1,096
Violations	6,380	5,882	6,127

While the number of individual amusement rides inspected has remained relatively steady for the past three years, the number of sites where inspections were made has increased about 13 percent. The number of violations also has increased, due in part to improvements to the inspection process.

Accident Investigations

The bureau conducts accident investigations when more than first aid is required. The owner of the equipment is required to contact the bureau, and an inspector is sent to the location to conduct an investigation. In FY 2006 the bureau conducted 45 investigations, down from 55 the previous year. This year each inspector was issued an accident investigation kit that contains all the tools needed to conduct a thorough investigation.

Advisory Boards and Annual Meetings

The Elevator Advisory Board formed in 2004 met three times in FY 2006. The board discusses subjects such as the elevator code, fee structure, adoption of new code requirements regarding new technologies and products, and specific field inspection issues that affect the industry. Board membership consists of the 12 members from the elevator industry. The Amusement Device Advisory Board, also formed in 2004, met twice during FY 2006. It is composed of six representatives from the amusement device industry.

In addition to the board meetings, the bureau held an annual meeting with both the amusement device and elevator industries. At each meeting, industry representatives were able to discuss concerns and problems with the labor department.

Rider Safety Program

The Elevator and Amusement Device Bureau continued the rider safety program. In partnership with the N.C. Fair Association, we distributed 430,500 bookmarks at local fairs in the fall of 2005, and posted large metal signs with the 11 safety tips at fair entrances of 37 of the 45 local fairs. Safety meetings were held with operators playing at one or more fairs in the state in 2005 that reminded operators about safety precautions they should take.

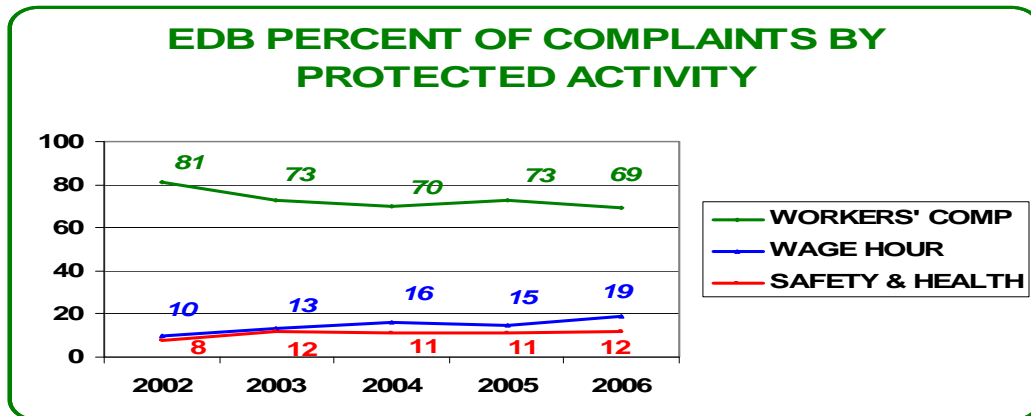
“Measure Up to Safety” was the theme for the 2006 fair season. It focused on the height requirements of each ride. Stickers were made for fairs to distribute to kids. Each fair could order a banner with a ruler on it, so kids could get measured and write their height on a sticker. Buttons were also made for ride operators to wear with the slogan printed on them.

Employment Discrimination Bureau

The Employment Discrimination Bureau enforces the Retaliatory Employment Discrimination Act. The law was enacted in 1992 following the disastrous plant fire at Imperial Foods in Hamlet, N.C. REDA incorporated whistleblower protections from the Wage and Hour and the Occupational Safety and Health acts. Additional provisions began to protect workers' compensation claimants, hemoglobin C and sickle cell carriers, and later, those subject to genetic testing, National Guard service and involvement in the juvenile justice system. In 2004 protection was added for employees seeking relief from domestic violence.

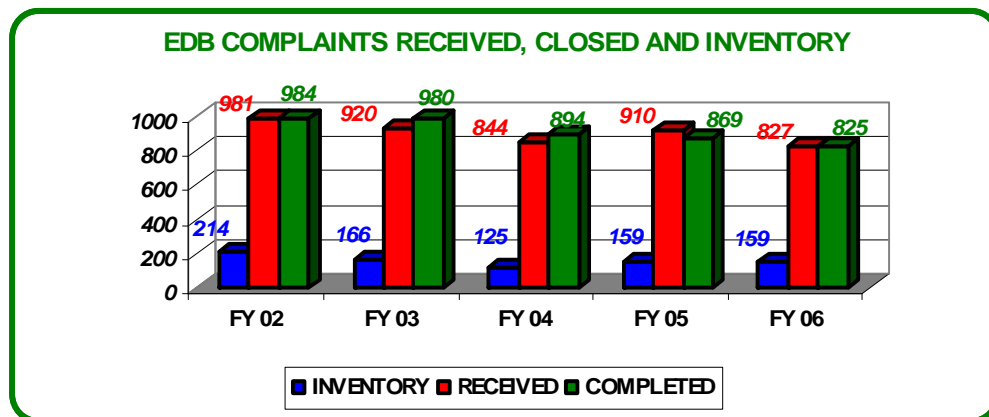
EDB receives oversight from the federal Occupational Safety and Health Administration (OSHA) under a contract that requires the bureau to be “as effective as” the federal agency in enforcing the occupational safety and health whistleblower protections of REDA.

Historically, 77 percent of REDA complaints have been based on workers’ compensation claims, 11 percent on safety and health concerns, and 11 percent on wage and hour complaints. The percentage of complaints based on workers’ compensation claims fell to 69 percent, safety and health concerns increased to 12 percent, and wage and hour complaints increased significantly to 19 percent in FY 2006.



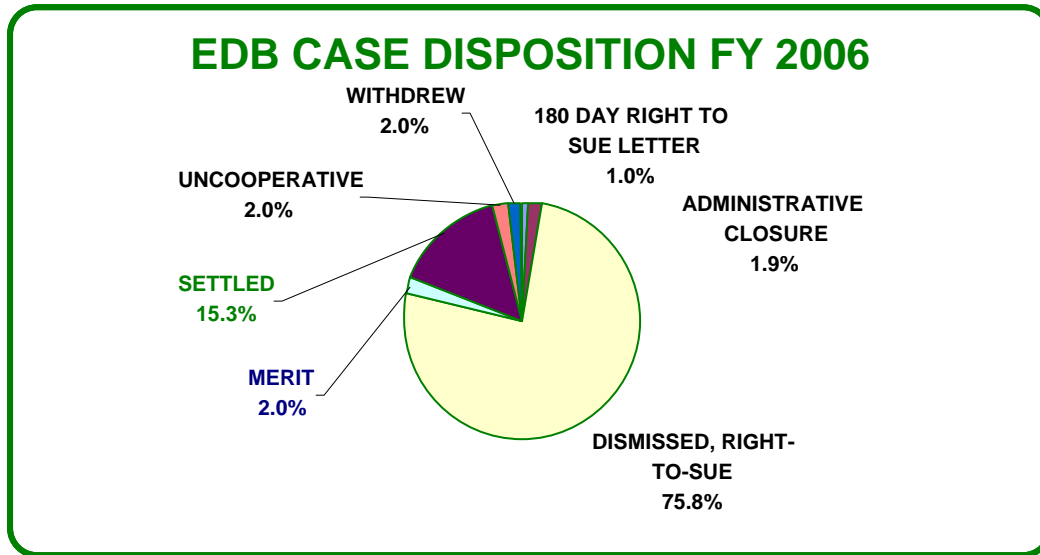
Each month the bureau receives about 75 new complaints to investigate. The bureau has revised the process for investigating complaints over the past few years, and as a result, case inventory has changed dramatically.

In FY 2006, the bureau received 827 complaints and had an ending inventory of 159 cases. The bureau also completed 72.8 percent of all cases within 90 days from the date of the complaint.



This year the emphasis on early resolution and settlement of complaints was again a major factor in our operations. The bureau continued to contact both the complainant and the respondent employer within 10 days of receiving the complaint. EDB was able to intervene earlier in the investigation process, bringing the matter to a conclusion in a shorter time span. The bureau was able to settle 15.3 percent of the 711 cases closed in FY 2006, an increase over the previous two years. Several other cases were forwarded to the N.C. Attorney General’s Office for litigation.

In FY 2006, 75.8 percent of the complainants were given a right-to-sue letter because EDB was unable to prove a REDA violation. Another 15.3 percent were settled by the parties, 2 percent were deemed to have merit, and 1.9 percent were closed administratively (generally these were referred to other agencies for investigation). One percent of the cases were sent to the N.C. Attorney General’s Office for potential litigation. Two percent of the complainants withdrew their complaints before completion of the investigation. An additional 2 percent of the cases were closed when the complainant failed to respond to EDB for information. In the final 1 percent, EDB did not make a determination within 180 days of the filing and complainants asked for and were granted right-to-sue letters.



Mine and Quarry Bureau

The Mine and Quarry Bureau administers state laws concerning the operation and inspection of mines and quarries. As administrator of the 1975 Mine Safety and Health Act of North Carolina, the bureau—with a total staff of seven—offers a broad range of education and training programs, technical assistance, and consultative services to implement provisions of the act. More than 375 private sector mines, mills, quarries, and sand and gravel pit operations employing more than 4,650 miners and contract workers are under the jurisdiction of the bureau. The bureau also inspected 39 abandoned mines to ensure the safety of the general public.

The bureau also assists the minerals industry in complying with provisions of the 1977 Federal Mine Safety and Health Act, which requires operators to meet specific standards including the training and retraining in safe work practices and procedures of their employees and independent contractors working on mine property.

FY 2006 Highlights and Accomplishments

- N.C. General Assembly reduced the bureau’s general fund appropriations by \$270,000. The bureau began to charge a per-person fee for training.
- Injury and illness rate in the minerals industry 2.73 per 100 full-time employees.
- Developed a Part 46 annual refresher training booklet to use in training sessions.

- Awarded Unimin/Red Hill mine the N.C. Mining Star. The Mining Star program recognizes and promotes effective safety and health management programs. The goal is to create a cooperative relationship among management, employees and NCDOL at sites that have implemented a strong safety and health program.
- Received the first place award from the U.S. Department of Labor Mine Safety and Health Administration for our supervisory training program for the public metal/nonmetal sector.
- Conducted 29th N.C. Mine Safety and Health Conference.
- Increased the number of miners and contractors trained to 4,580.
- Increased education and training programs to 550.

	2003	2004	2005	2006
Injury incidence rate	2.7	2.48	2.73	N/A
On-site miner and contractors trained	7,389	6,887	6,851	7,891
On-site training programs	440	439	440	465
Part 46 & 48 miners and contractors trained	3,539	4,067	4,225	4,580
On-site technical assistance	3,826	4,005	3,615	4,197
Number of instructors trained	22	50	43	20
Trained in explosives safety	45	111	172	0
Inspections/evaluations of active mines	95%	95%	89%	80%
Number of inspections/evaluations conducted	581	548	501	485
Education and training programs	440	465	467	550

Wage and Hour Bureau

The Wage and Hour Bureau administers the N.C. Wage and Hour Act, which includes the minimum wage, overtime pay and wage payment (promised wages including wage benefits, such as vacation pay, sick leave, holiday pay, and bonuses and commissions). The bureau ensures employers make, keep and preserve records of hours worked, wages paid, and other conditions and practices of employment necessary for the enforcement of wage and hour laws.

The bureau issues youth employment certificates to preserve young workers' rights. The bureau also enforces the statutes that regulate the licensure and reporting requirements of private personnel service and job listing service agencies, payment of furnishing any records as part of the hiring process, and the Controlled Substance Examination Regulation Act. The bureau is responsible for the department's toll-free telephone system and handles about 75 percent of all calls placed to the system. Calls are referred to the appropriate bureau within the department or the appropriate local, state or federal agencies.



FY 2006 Highlights and Accomplishments

- Answered 91 percent of all calls placed to the call center on the first attempt.
- Closed nearly 86 percent of investigations within 60 days of receiving complaint.
- Concluded 62 percent of investigations based on factual evidence obtained from one or both parties.
- Reduced the number of investigations in which the employer failed to respond to FY 2004 level, despite loss of 20 percent of staff through attrition.
- Collected nearly \$218,000 for 258 complainants; the figure represents 27 percent of the \$821,497 due to these complainants.
- Total collections of \$1.09 million for 2,196 employees; the figure represents 65.7 percent of total wage determinations, regardless of complaint status.
- Completed or serviced 33 partnerships with employer associations
- Conducted 149 presentations and 134 technical assistance visits with employers; conducted seven joint federal-state labor law seminars throughout the state.

Call Center

The number of calls to the 1-800 call center declined by 1.15 percent from the previous year. The chart below indicates that 88,862 of the 97,351 calls were answered by the personnel assigned to the call center during FY 2006.

The bureau also tracks the percentage of calls answered on the first attempt. Slightly more than 91 percent of calls were answered on the first attempt during FY 2006. This achievement is a significant based on the volume of calls received, the comparison with the industry standard of 90 percent, and the reduction of phone staff by 20 percent.

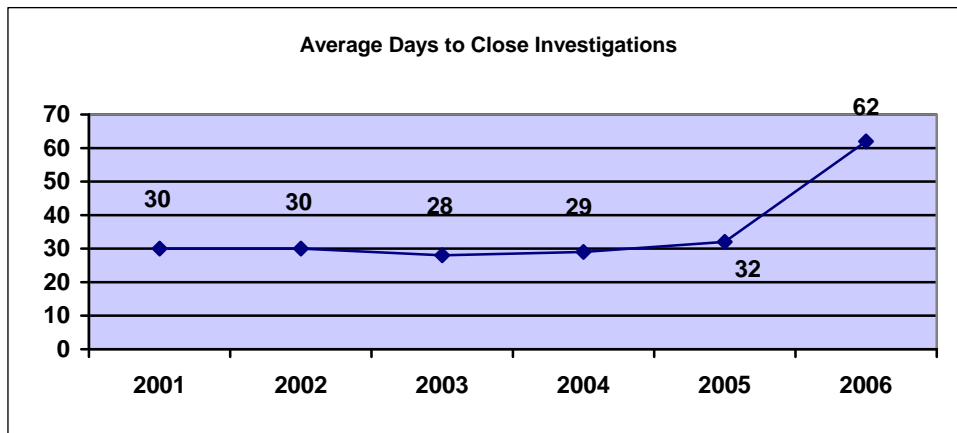
	Calls Received	Calls Answered	Calls Answered on First Attempt
2002	116,698	102,177	89.3%
2003	103,695	97,975	94.2%
2004	83,023	78,448	94.5%
2005	98,486	93,344	94.8%
2006	97,351	88,862	91.3%

Wage and Hour Investigations

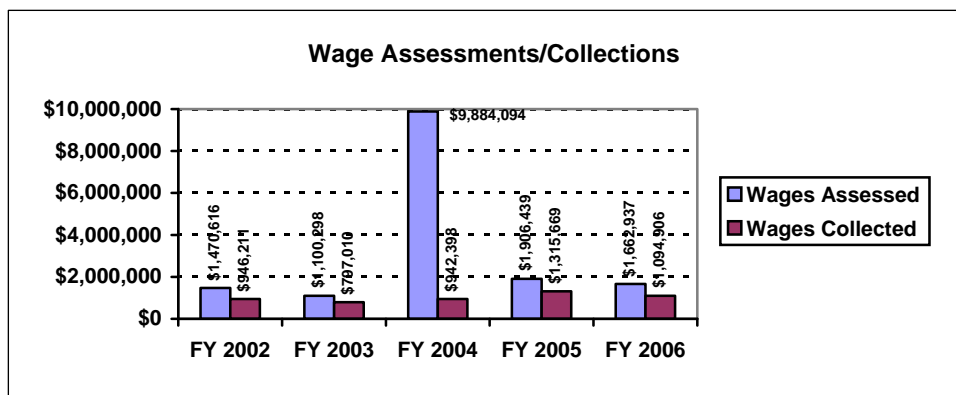
During the past year, the wage and hour bureau experienced a 17.9 percent increase in the number of investigations opened and a 0.2 percent decrease in the number of investigations closed compared to previous year. The number of investigations in which the employer failed to respond declined by 2.7 percent; the number of investigations in which the determination was based on factual information increased by 3.0 percent; the number of investigations in which a settlement was negotiated prior to investigation remained relatively constant at 35.3 percent.

	Investigations Opened	Investigations Closed
2002	6,179	6,204
2003	5,495	5,598
2004	6,308	6,219
2005	6,499	6,294
2006	7,665	6,283

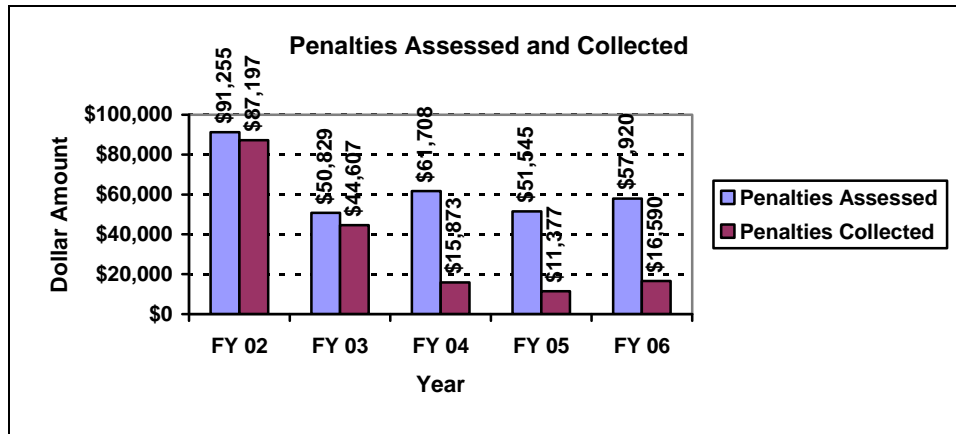
The bureau strives to close investigations within 60 days of receipt. In FY 2006, the bureau saw a 12.8 percent decrease in the number of investigations closed within 60 days of receipt. About 85 percent of cases were closed within 60 days, compared to about 98 percent in 2005. The average number of days to close an investigation increased by 93.8 percent from the previous year. The increase is attributed to a high level of staff turnover.



The investigative staff continued to collect about 66 percent of all wages due to employees; this is a slight decrease compared to the previous three years. (Note: the anomaly caused by the Pillowtex bankruptcy was excluded from the three-year average.)

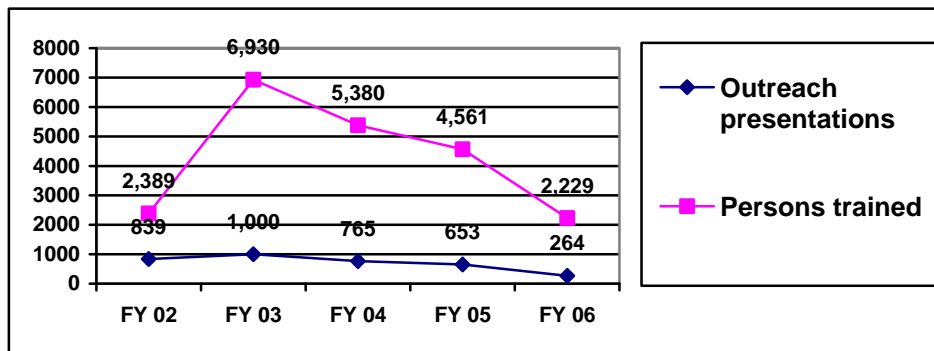


The bureau is charged collected civil penalties assessed after violations of the youth employment, recordkeeping and controlled substance testing laws. The following chart indicates the impact of “First Offense Compliance Agreement” initiative whereby an employer’s penalty will be forgiven if compliance is achieved and maintained. Employers agree to subsequent visits to determine continued compliance with the terms of this agreement. However, we continue to collect, prior to litigation, about 90 percent of all penalties assessed against employers who do not qualify for the compliance agreement program.



Voluntary Compliance

The bureau continues to encourage voluntary compliance through outreach presentations and wage and hour seminars throughout the state. We have formed 55 voluntary partnerships with business and industry, and a survey conducted this year indicated that 93 percent of the partners who responded feel the program is valuable to its members and that our efforts are worthwhile. The following chart details the number of outreach presentations and persons trained:



Youth Employment Certificates

The total number of youth employments certificates issued to workers under age 18 has been relatively stable since 2001, which may be attributed to closer scrutiny of issuing officials and the elimination of certificates issued to government and agriculture workers.

Youth Employment Certificates	Issued	Revoked
2002	77,559	285
2003	68,826	189
2004	71,818	235
2005	73,693	226
2006	84,298	274

I wish to acknowledge the cooperation of all the fine employees of the various divisions of the Department of Labor who made possible the many accomplishments and services to the people of North Carolina that are recorded in this report. The dedication shown by these employees helps make North Carolina a safe and healthy place to work and live.



Cherie K. Berry
Commissioner of Labor