

NECA 2009 Annual Report

Each year, NECA creates a report to share information regarding the association's progress throughout the year. The report will also be available on the web in January at www.necanet.org.

A Message from NECA President Rex Ferry and CEO John Grau

It's hard to find something good about a year when so many NECA members and the association itself have struggled with a sinking economy. We've never sugarcoated what the downturn has meant to our industry. Projects have been delayed or scrapped. Owners pled poverty and requested revised estimates. We all know contractors who have closed their doors. And we all know good people who have lost their jobs.

What we take can heart from is witnessing the entrepreneurial and innovative spirit that brought so many NECA members into the electrical construction industry in the first place. They saw electrical contracting as way to make a living while making a difference. That's still going on.

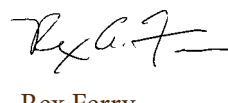
What sets NECA contractors and the association apart in tough times is our willingness to do what it takes to remain industry leaders. We re-evaluate our goals and shift priorities. We do more with less. We make the tough choices.

Leaders don't spend a lot of time wishing things hadn't changed. Rather, we get busy tackling what those changes mean for our businesses. The one thing our industry can't afford to lose right now is momentum. We've worked too hard to create a positive working relationship with our labor partners. We've


invested in research that shows us how to improve productivity and profitability. With new technology, trends, and economic realities changing the face of electrical construction, preparing for the future has never been more important.

This isn't a time when we settle for what we're given. We've got to ask for more, and we've got to show that we're capable of doing the work. Right now, we have an opportunity to lead in green job training, energy solutions, smart grid development, and infrastructure improvements. We earn our living by being consistently more productive, having a ready and well-trained workforce, and knowing how to use the right technology for the job. We are the leaders of our industry. NECA's 2009 Annual Report is an opportunity to tell our members about the actions and programs we have undertaken to further our position as an industry leader.

The Chinese proverb "may you live in interesting times" was never intended to be a blessing. NECA has certainly come through an interesting and challenging year. This report will describe the strides we've made in advocacy, business development, industry information and education, as well as our plans to secure a bright future for our members and the association.



Rex Ferry
NECA President



John M. Grau
NECA CEO

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NECA is the voice of the electrical construction industry. One of the most important ways the association serves its members is speaking out on the issues and concerns that affect their businesses.

Labor relations are NECA's primary focus. The association is the representative for management rights in both local and national forums. An extremely positive development is the growing spirit of cooperation and collaboration throughout our industry. Every NECA contractor and every IBEW worker has had to accept major changes this year, and by and large, we have faced those necessary changes together.

Working with the IBEW, NECA has implemented the Code of Excellence and agreements to recapture small work. Labor Management Cooperation Committees on the local and national level are integral to these positive developments. A special general session at NECA 2009 Seattle focused on the leadership that local LMCCs provide in their communities and the role LMCCs have in increasing market share and recruiting new talent to the industry.

In early 2009, NECA and the IBEW distributed a new market evaluation study for 2004, 2005, 2006 and 2007 to NECA chapters and IBEW local unions. The study provides the same information as the Inside Construction Trends, but it also takes into consideration the county jurisdiction of each chapter, the

duplication of worker reporting, and the difference of work performed to where work was reported. The reception of this data has been overwhelmingly positive and provides both parties with a realistic basis of market share for their jurisdiction.

Also in 2009, the NECA Board of Governors approved a new labor agreement that will allow emergency crews to respond more quickly and efficiently to disaster situations. The National Outside Construction Emergency Response Agreement went into effect in time for line contractors to respond to this year's storm season. It clarifies certain wage, benefit and notification issues, allowing contractors and workers to travel more easily between their home areas and the affected emergency zone.

NECA's leadership is not just exercised during negotiations. The association nurtures strong, productive relationships with Congressional leaders, and NECA members actively support those efforts through ECPAC contributions and political action.

ECPAC and the Political Leadership Council are essential to NECA's advocacy efforts. Despite the tough economy, ECPAC contributions continue to be strong. To date, contributions total \$763,762, and ECPAC is poised to raise more in 2009 than in 2008. The PLC has grown to 91 members, with eight new individual members and five new chapters joining in 2009.

Our Congressional advocacy focused on health-care reform legislation in 2009—in particular, limiting the exemption for construction contractors who don't provide health insurance for their employees. NECA contractors are primarily small contractors, all of whom are committed to providing living wages, a pension and health insurance for their employees. We believe all construction employers should accept this basic responsibility, rather than asking for special treatment. At NECA's request, Senator Jeff Merkley (OR) sponsored an amendment to the legislation that would remove the exemption benefiting construc-

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tion employers who fail to provide health coverage for their workers.

NECA has also spoken out on pension reform; permanent reform of the estate tax; energy policy; and stimulus funding for green building projects.

Also in 2009, the PLC introduced the “Corporate ECPAC Partners” initiative. To date, \$77,695 has been collected from 130 contributors. Since corporate contributions may not be used for candidate contributions, these monies go to defray the cost of fundraising.



Business Development

For NECA, business development is about increasing the market for our members. It means supporting our members’ efforts to pursue new opportunities and work by identifying customers, markets, and what they need to know about both, as well as performance requirements for new work.

Formed in 2009, the NECA Energy Solutions Task Force addresses specific market opportunities in sustainable “green” construction, energy efficiency, conservation and renewable and alternative energy sources. Energy conservation, efficiency and renewable energy sources are in heavy demand, driven by the federal government’s investment in such projects and customers’ desire to save money.

The mission of the task force is to establish NECA contractors as the market leaders in energy solutions. Their recommendations and strategic direction have helped NECA develop and expand the arsenal of tools and competitive advantages available to NECA contractors for the energy solutions market. Through research funded by ELECTRI International, NECA introduced Facilities Energy Audit Training at NECA 2009 Seattle. The course prepares contractors to conduct preliminary energy efficiency audits and estimate energy and cost savings possible by using more efficient equipment.

NECA has also capitalized on strategic alliances and relationship building with other associations and organizations. NECA has built several alliances with other green energy organizations, including the U.S. Green Building Council and the buildingSMART Alliance and provide industry expertise where and when we can. We also worked with several organizations to develop proposals for federal grants for solar installer training and green workforce development. We include our successful joint apprenticeship program in these efforts, since our chapters and training centers are integral parts of the craft and management education infrastructure necessary to access these opportunities.

Being leaders in business development means we’re not afraid to get hands-on with the work. In 2009, NECA was asked to chair NFPA’s “smart grid task group” made up of key stakeholders from the electrical construction industry responsible for building and standardizing a more efficient national electric grid. Michael Johnston, NECA’s executive director, standards and safety, will serve as the task group chair.

Our strong standards and safety program gives NECA and NECA members important credibility when moving into new markets. NECA has vigorously defended renewable energy work as electrical construction that should be held to the same safety and performance standards as traditional electrical work.

The networking and best practices shared by peers and colleagues through these groups benefits the entire industry.



Industry Information and Education

Leaders provide access to useful, trusted information, and NECA is widely recognized as the best resource for anyone who wants to know more about the electrical construction industry.

We manage several information outlets, including the industry's premier magazine, *ELECTRICAL CONTRACTOR*. *ELECTRICAL CONTRACTOR* won numerous awards this year, including a SNAP Excel Silver Award for General Excellence for Best Writing, Graphic Design and Overall Packaging and SNAP Excel Design Awards for media kit and redesign of Security + Life Safety Systems. The print magazine and website *ECmag.com* both won Gold FOLIO Eddie Awards for excellence in editorial content.

NECA also uses a variety of digital and Web-based media for communicating with members and the public. NECA's new weekly e-newsletter, *NECA This Week*, is a direct response to our members' request to get the important industry information immediately. Also in 2009, NECA set up several social media forums, including groups on LinkedIn, Facebook, Twitter, and Flickr. Our goal is to be present in as many channels as our members and their customers regularly use.

We've continued to speak out on the threat counterfeit electrical products pose to our industry and to sponsor research through *ELECTRI International*—

The Foundation for Electrical Construction, Inc., that helps our members improve their business. Both the Electrical Design Library and *National Electrical Installation Standards (NEIS)* offer valuable guidance to architects, engineers and specifiers, letting them know that NECA contractors have the tools to deliver the highest quality, most innovative electrical solutions.

NECA's Management Education Institute remains the best education resource for all stages of an electrical contractor's career. This year MEI expanded its online course offerings to make manageable education affordable and accessible for all NECA members. At NECA 2009 Seattle, MEI helped produce the best-attended series of pre-convention workshops and management seminars on record.

Education at NECA remains member-driven. The association relies on the insight generated at forums like the Executive Management Institute and by groups like the Future Leaders and the newly created NECA Women Peer Group and Safety Group to determine new and updated curriculum. The networking and best practices shared by peers and colleagues through these groups benefits the entire industry. NECA is pleased to provide forums that support their efforts to improve their businesses.

Closing

The programs, activities and developments described in this report clearly demonstrate NECA's commitment to leadership. Our association's accomplishments this year are shared with our member companies who have supported our leadership goals. Together, NECA members and the association are working every day to initiate change and shape our industry. We have the talent, resources and determination to try new things and speak out for the rights of management. As America is growing, we know that NECA will continue to grow and prosper.