

2012 Annual Report: Action and Accomplishment

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.

It's been a busy year, but a very gratifying one—especially the time we have spent listening to chapter leaders, congratulating the new instructors at the National Training Institute graduation ceremony, and meeting new members of Women in NECA at their annual leadership summit. These are just a few of the opportunities we've had to meet NECA members and hear directly from them about how their companies are doing.

We've been inspired by their tenacity and optimism. So we made a pledge this year to each other and NECA's members: no more talking about what used to be. No more wishing for the so-called "good old days." Instead, we have dedicated ourselves to helping NECA take full advantage of the opportunities available to us now and preparing for our industry's future.

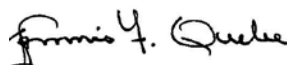
NECA has been working hard make labor agreements more competitive, government more responsive, and to find new market opportunities for all of us. Rehashing old arguments and calling for the return of the old ways are both useless and a waste of time. Now is the time to move beyond discussion into action and accomplishment.


Electrical contracting is one of the most exciting industries at work in our world today. Think of the tremendous changes we have seen in the past ten years: the explosion of renewable energy, the first steps towards a national smart grid, the advances

in BIM, prefabrication and modular construction, and most importantly, the acknowledgement that electricity is what makes our modern economy possible. Think of the changing demographics in our industry—the enthusiasm of NECA's Future Leaders and our student chapters, the collaboration of our safety working group, and the unflagging spirit of our business development partners.

We are too invested in our industry's future to waste any effort looking behind. We have put our resources into research and legislative advocacy to improve the business environment for NECA contractors. We have worked hard to increase our members' opportunities for new work. We have set high standards for ourselves and our labor partners at the IBEW.

We've built a strong association, and we are a strong industry—the industry that literally powers our modern world. And just as our world continually changes, so will our industry. NECA will be here to support you and your company during those changes.


Dennis F. Quebe
NECA President


John M. Grau
NECA CEO

Advocacy



Despite the overwhelming amounts spent during the 2012 national election cycle, the looming fiscal cliff, and construction unemployment still above the national average, this year had the dubious distinction of being one of Congress's least productive since WW II. NECA's government affairs team used the time to improve and expand our legislative agenda and presence on Capitol Hill, keeping the issues important to electrical contractors in front of Members of Congress.

In contrast to the slow progress of the months before the November elections, the lame duck session of Congress since the elections has been tremendously busy. Many of the so-called "fiscal cliff" measures directly affected business owners like NECA contractors, like repeal of the estate tax, reducing overall tax rates, improving energy efficiency incentives, solving pension reform, and investing in our nation's infrastructure. NECA is working with Congress to get more done that actually addresses the economic conditions affecting our members and improving their ability to expand, borrow, invest, and hire.

Through ECPAC, NECA has received greater visibility, access, and influence in government through personal involvement and financial commitments. NECA exceeded the \$1.7 million-plus threshold for ECPAC annually since 2004, holding ECPAC's place among the elite as the largest specialty contractor PAC in the country. PLC Chairman Tom Wolden put forth two new goals in

2012 as part of NECA's political priorities: increase the number of PLC chapters and secure at least one ECPAC contribution from every state.

ECPAC invested in almost 200 Congressional races across the country, and our efforts were rewarded with the return of several good friends of NECA and some new allies. However, we also lost some of our long-time supporters in fiercely partisan elections. However, we can't rest on past success or regrets. We have to look toward the future and the job we have ahead of us, educating nearly 100 new Members of Congress about the industry and contractors NECA represents.

Advocacy also took NECA to the two national political conventions, Republicans in Tampa and Democrats in Charlotte. In Tampa, NECA sponsored receptions for the Florida, Illinois, and New York delegations; an event for the House Transportation and Infrastructure Committee; and NECA supported several Members of Congress that support the electrical construction industry. In Charlotte, NECA also hosted several events for Members of Congress and participated in more than a dozen related events.

A highlight during the Tampa RNC was LC District 3 Regional Chairman Mark Mazur's company, MJM Electric, Inc., performing the electrical work for the entire Convention. In addition, Mazur hosted a 50-person fundraiser at his offices for his Congressman, Rep. Gus Bilirakis. Several members of the Florida delegation attended as well as local business owners representing electrical, general contractors, architects and manufacturers.

These personal connections of advocacy, where elected officials hear directly from their constituents working in their communities, are what make NECA unique on Capitol Hill. More than 25 percent of our members contributed to ECPAC this year—that's more than five times the national association average. NECA contractors take advocacy seriously, and it's our responsibility to represent well on the Hill and beyond.

Communication



The foundation of any positive relationship must open, honest communication. At NECA, we focus on our communication efforts on the ability to learn the facts, the vision to see what's possible, the courage to push for change, and the tenacity to get results.

While communication is at the core of all NECA programs, no where it is more important than in our labor relations partnership with the IBEW. We start by gathering facts: NECA's Labor Relations Task Force spent a year studying controversial issues surrounding defined benefit pension plans, along with the overall fringe benefit costs burdening our signatory contractors. They issued their report of findings and recommendations in August. The report tackles the tough questions head-on and points us in the direction of both short- and long-term solutions to this problem—a vision to see what's possible.

Armed with information and a vision, we've now entered the phase of pursuing change. While we are extremely proud of the benefits NECA contractors can offer our workforce, we know these benefits are fast reaching levels where they cannot be sustained, let alone expanded. We can't allow the inflexibility and ineffectiveness of the current benefits programs to prevent NECA contractors from pursuing new work. Compromise will only be achieved through more communication, and solution will be one that delivers reasonable results to all parties.

The same is true of the CW/CE program. The success of CW/CE is achieved first through raising awareness of the program and secondly, through implementation. NECA contractors who commit to using CW/CEs need a change in their business model and resources to ensure they can use these worker classifications to improve their efficiency and productivity. We support their efforts to use these worker classifications in order to respond to a shift to composite crews and personnel for electrical construction. We'll get there, but only if we continue to keep the lines of communication open with the IBEW.

Communication with NECA members and chapters remains essential to our national programs. Feedback from electrical contractors, industry stakeholders and chapter leaders working in the trenches of their local markets are how we shape and evolve our programs. Half of all *National Electrical Installation Standards* published by NECA in 2012 dealt with the energy solutions market; we created standards for this work where none had previously existed. Without your willingness to share your expertise, this would not be possible.

And we're looking to the future, connecting members with the next generation of electrical contractors through our student chapters and corporate mentoring programs. Our new NECA Now Conference in April 2013 will showcase how NECA is changing to meet industry needs. NECA Now will be the next level of executive leadership engagement for NECA contractors. The event will offer ample opportunities for electrical construction executives to connect with their fellow contractors from across the country, not just their own states and regions. The focus will be on establishing relationships and learning from each other, as well as top business experts in risk management, financing, market development and time management. You helped make this program a reality, and we hope it meets your expectations.

Information



NECA electrical contractors are constantly seeking relevant data for their companies. Right now, the information most valued by NECA members focuses on finding new market opportunities and actively selling to them so their businesses can prosper and grow. NECA has hired business development professionals and charged them with finding new market opportunities for the industry; the results include new relationships with leading technology innovators like Smith Electric Vehicles and Service Channel's Fixxbook.

We've also given NECA contractors the tools to pursue these opportunities. NECAWORKS™, NECA's innovative online energy economic screening tool, and energy audit training has helped contractors offer cost-efficient solutions that can save their customers energy and expense.

The NECA 2012 Energy Forum in Las Vegas drew over 200 contractors for an intensive afternoon of expert panels to inform and inspire NECA contractors to grow their businesses through energy solutions work. Management and technical workshops during the convention and tradeshow extended the energy solutions education over four days.

Research is another form of information currency for electrical contractors. The 2012 *Profile of the Electrical Contractor*, published by NECA's magazine

ELECTRICAL CONTRACTOR, found that electrical contractors are doing all aspects of a project: design, specification, test, commission, install, maintain, and more. Because we know electrical contractors have a much larger role in construction projects, thanks to changes in how projects are planned and delivered thanks to design/build and BIM, we can provide information that supports your new roles in design and product specification.

ELECTRI International—The Foundation for Electrical Construction, Inc., continues to be a source of inspiration and information for NECA members. From an economic analysis of portability to construction management for smart grid installation, ELECTRI has refined its program and research review process to ensure real demands of electrical contracting are reflected in its studies.

However, nothing is more valuable than the contractor-to-contractor networking NECA members engage in at their chapter, district, regional and national industry events. We appreciate how NECA's Premier Partners have brought their expertise to meetings like the Safety Professionals Conference and the Women In NECA Leadership Summit. Allowing individuals working in all capacities of our industry to engage and learn from each other is fast becoming one of the most valuable member benefits our association offers.

Closing

NECA is here to support your business. Whether we're faced with the looming fiscal cliff exacerbated by Congressional gridlock, sorting out new safety regulations, or locating finance and technology partners for market development, we're handling the tough issues, both big and small.

We appreciate your continued support of our goals and participation in securing a positive future for our industry.