

THE ACADEMY OF ELECTRICAL CONTRACTING

Paper Presented by

Emerson Hamilton, Fellow

Political Action And The Electrical Contractor

April 1985



When Electrical Contractors get together and discuss politics or political action, the conversation can range across a wide spectrum. Sometimes the discussions are sophisticated and the individuals are well informed. Occasionally, however, an individual is badly misinformed because of a lack of information or a failure to conduct proper research and the individual's credibility becomes the issue. Probably of most concern is when the comments "I'm not interested in politics", or "I don't have time for politics" are heard. There is at the present time, probably more than ever before, a desperate need for the leaders of the National Electrical Contractors Association to exercise their leadership by example and to appeal to all other members of NECA for their involvement and participation in politics and the political process. Politics can no longer be considered a spectator sport.

If we are not satisfied with what is happening in Government the only way to implement change is to get involved in the process. We, as electrical contractors, have the stature, the respect and the business leadership abilities to get the job done. We also have an obligation to perform if we truly wish to preserve the free enterprise system of doing business. Our personal involvement is necessary. Without it, leadership in government at all levels, from the local City Hall to the Halls of Congress, will go to those who may not necessarily agree with our philosophies or our points of view. There is frequently a leadership vacuum at all levels in which a person who is representing a minority viewpoint, but who has a willingness to get involved may end up expressing a personal viewpoint as the will of the majority. This will happen unless the majority is willing to speak up and become involved.

We as contractors can be effective in the political process by following a relatively simple formula. However, it is not so simple that it is not going to take some affirmative action on our part. It is also going to cost us some dollars. The affirmative action necessary to inform and educate our elected officials and the money that it will cost will be considerably less than the cost of the laws, rules and regulations that might otherwise be imposed upon us, either by politicians who do not agree with us or who lack the knowledge of how their actions will affect our businesses or ourselves. The formula is in three parts; 1. Communicating with our elected officials; 2. Getting involved in politics; 3. Opening our wallets and budgeting political contributions every year.

Since our political leaders are elected, they have a need, and in most cases a desire, to be informed. They need to know how the laws, administrative rules, and regulations that they promulgate will impact each and every one of us. As citizens and as business people if we do not take the time to write our political leaders, call them or speak to them in person, there is no way they can read our minds and know how their actions and votes will affect us.

Letter writing may be distasteful to many of us, but it is the prime method of communicating to our elected officials. A letter is permanent and it allows the official to read it and then refer to it again in the future. It also prompts a written response which causes the politician to again consider our information.

At the local level, when we become aware of any issue, a proposed rule, or a bill in the State Legislature we must write to our elected officials and let them know how we feel about the legislation; specifically how it will impact us or our business. Citing personal examples is most effective. In my state, most Legislators keep a file for each pending Legislative bill along with copies of all of the correspondence that they have received from their constituents. I recall several years ago, meeting with one of our local Legislators and having him advise me that he had voted in favor of a bill with no information on it other than my letter in his file which indicated that I supported the bill. I was the only one who had taken the time to write and since he respected my point of view, he voted the way I recommended.

At the Federal level, our weekly "NECA Newsletter" carries an "Action Call" when letters to Congress are needed from our industry. Unfortunately, the response to the "Action Calls" is very poor. From approximately 5,000 NECA members, a typical response is less than 200 letters. How can we possibly expect to have any impact on Congress if we are not going to be any more concerned than this. An "Action Call" is not printed unless there is a pressing need for our personal and individual action. When "Action Calls" do appear in the "NECA Newsletter", we must respond immediately. There is always enough information provided in the supporting article in the "NECA Newsletter" to give an indication of all points of view on the issue. With the information that is presented we should find it quite easy to write a letter and to embellish it with personal examples of what we believe the impact will be, either supporting the proposal or opposing the issue. A copy of your letter should always be sent to the NECA Government Affairs Office for appropriate follow up.

Getting the "right" candidates elected at the various levels of Government is an area where again we can have much impact. Of course, the ideal situation is to have an electrical contractor, spouse or employee run and get elected to political office. Obviously, because of busy work schedules, it is not always possible for the contractor to have the time for this type of involvement. It is much easier at the local level than it is at the more time consuming levels such as State Legislature and the Federal Congressional areas. However, time is always a problem.

If we do not have the time to be a candidate we can be very effective working as a campaign manager, treasurer, or on the election committee of a political candidate. Many candidates are severely short of leadership and administrative abilities in their campaigns. Administration, leadership and an ability to get things done are areas where we as contractors have a lot of expertise and can be a great amount of help. I have been involved in four campaigns as Campaign Manager for the Republican Leader of the Oregon House of Representatives and he has won all four elections. Needless to say, if I have a problem or if the electrical industry needs an ear at a high level in the Legislature, it is readily accessible.

As I stated earlier, money is a very important part of the formula for successful political action. It is a fact of life that political campaigns, even at the local levels, cost a lot of money. The need for effective media advertising and direct mail communication with constituents to insure the candidate's election is very expensive. The costs keep increasing as media costs, printing and postage keep increasing. Even a State Legislative campaign can cost thirty to forty thousand dollars.

The Federal Government allows a tax credit (a direct deduction from the amount of income tax we owe annually) for personal political contributions. Some states also allow a similar credit so the credit is increased. However, even if the tax credit were not available it is important for our future and the future of our country that an annual financial commitment be made.

In my community, we have established an organization of local business people who aggressively seek out candidates for local offices. Once a candidate is identified who has an interest and who is willing to make a commitment to office, dollars are committed to be used in their campaign and to pay for training on how to run an effective campaign. Each member of this organization contributes \$365.00 per year. The philosophy is that everyone can afford a dollar a day for good government.

The organization that I have just described is a Political Action Committee or PAC. Just what is a Political Action Committee? It is a voluntary committee, usually connected with a trade association, corporation, a labor union, or a group of individuals with similar interests. Usually the purpose of a Political Action Committee is to support a candidate's election, although it can be used to support issues campaigns. The Political Action Committee will normally solicit contributions from individuals and distribute the funds to candidates with viewpoints or a philosophy similar to that of the contributors. There are both State and Federal laws that govern the operation of Political Action Committees. They require certain reports be made to indicate the types of activities the group is involved in as well as where the money has come from and where it is being distributed. Political Action Committees are perfectly legal and are in fact growing rapidly in the United States.

There are a number of State and Local Political Action Committees established in the United States by NECA Chapters or by associated groups of NECA Chapters. These PACs are doing extremely effective jobs working to elect qualified candidates to local offices, State Legislatures, and the State wide offices. It is important that all NECA Chapters and members be strongly involved in this type of effort and be aware of the significance of the activity.

In 1979 the NECA Board of Governors authorized the formation of the Electrical Construction Political Action Committee (ECPAC). This is an extremely important activity of our Association. Its purpose is to support qualified candidates for election or re-election to the Congress of the United States. I want to discuss ECPAC in more depth because I believe it is not getting the attention that it deserves in our industry. It is my opinion that any contractor who is not strongly supporting ECPAC is shirking a duty critical to the future of our industry. The Academy of Electrical Contracting has a number of contractors who are strongly supporting the ECPAC. I am speaking of individuals such as Buck Autrey, Fred Sargent, Aldo Lera, Clyde Beimfohr, Bob Bauer, Ronnie Toomer, Bill Plummer and James Stansell. I salute them for their leadership through the example they are setting and their appeal to others for involvement. The biggest disappointment has to be that only 35 members of the Academy of Electrical Contracting contributed to ECPAC in 1984.

However, there is no reason why each and every one of us should not be strongly supporting ECPAC. For the 1983-1984 two year election cycle, the construction industry raised approximately two million dollars in Political Action Committees for distribution to candidates. The Associated General Contractors topped the list with over one half a million dollars. The Sheet Metal and Air Conditioning Contractors National Association had approximately \$180,000.00. The National Utility Contractors Association approximately \$135,000.00. The Associated Builders and Contractors, approximately \$114,000.00 and NECA, approximately \$98,000.00. Those associations collecting less than NECA included the American Subcontractors Association with approximately \$21,000.00, National Association of Plumbing-Heating and Cooling Contractors with approximately \$13,000.00 and the National Constructors Association with approximately \$2,000.00.

It is interesting to note that Political Action Committees tend to make most of their key contributions very early in the campaigns. The early contributions indicate stronger support to the candidate and they tend to have more impact for the PAC. In 1983 for instance the top PAC contributors for 1984 elections included the Seafarers Union at \$549,000.00, the National Association of Realtors at \$468,000.00, the National Association of Home Builders at \$359,000.00, the Marine Engineers Union at \$350,000.00 and the United Transportation Union at \$338,000.00. Labor unions, especially, are increasing earlier donations and, in fact, seven of the top ten donors in 1983 were Labor PACs. If you look at past history, over 90% of Labor PAC contributions go to Democrats.

We, as electrical contractors, cannot afford not to be involved in the money part of the political action process. There is nothing unethical about it. In fact, it is an extension of our well protected right of free speech. Research has shown that PAC efforts really do help candidates get more votes. The increase is up to as much as 7% more votes for precincts that receive PAC sponsored mailings as compared to those that do not. If we want to elect "good" candidates, PAC's are a primary way to get the job done.

Our ECPAC reacts to requests from local chapters for financial help for candidates who they feel should be supported. It also responds to the recommendations of the NECA staff who are involved in lobbying on Capital Hill. They recommend those candidates who are supporters of our industry, those who have helped us in the past, and those who appear to be the type that could help us in the future. Recommendations go to the National Government Affairs Committee where they are approved and then to the President and Executive Committee where they are approved and then to the President and Executive Vice President of NECA for approval. Prior to distributing the contribution the Chapters in the recipient's state are asked for their final approval and are requested to personally present the ECPAC checks to the candidate at either a Chapter Meeting or other suitable function.

My hope is that NECA will ultimately be able to generate approximately 250,000.00 per year, or \$500,000.00 per two year election cycle, for our ECPAC. This would represent a contribution of approximately \$100.00 per member and we would be extremely effective. Again, remember that we are not doing this at the exclusion of any state or local PAC's efforts. They are equally important. It is my opinion that each contractor should be budgeting a minimum of \$500.00 annually for political action contributions if we are to be effective at local, state and national levels.

To implement the program I have described I believe we need to develop through NECA, a pyramid type system to provide the proper impetus for involvement and action. I see the pyramid with the President of NECA in a strongly supportive position at the point. The next level is the National Vice Presidents. Their support and encouragement of the Chapters in their Districts is most vital. The next level is the National Government Affairs Committee. This group of contractors is probably the most informed group in NECA in the area of political and government relations. They are the real facilitators of action in the Districts. For them to be effective it is important that a small, but dynamic, Government Affairs Committee be set up in each chapter. This is the next level and it reaches to the base of the pyramid, our members.

Those of you in the Academy who are still active in your Chapters can have a great influence in helping to set up this Government Affairs Committee function and recruiting the individuals that are involved. You should also serve on the committee. The Governor, the President, Board Members or member contractors who are interested and concerned about government affairs and want to be active should be members of the committee. This group of

active, involved contractors would set Chapter programs and would insure that the Chapter Manager follows through so the activities are completed. The Manager would be responsible for mailings and administrative functions.

When a Call to Action appears in the newsletter, the National Government Affairs Committee member for each District would contact each Chapter's Government Affairs Committee Chair. He would contact the balance of the Chapter Committee and they would in turn contact the other members of the Chapter. Each of them would be specifically requested to write letters in response to "Action Calls". I would be very disappointed if we did not almost immediately increase the response to "Action Calls" at least five hundred percent.

The basic Pyramid Plan as outlined, would also be used in the solicitation of funds for ECPAC and local PACs. The solicitation forms and other materials would be expedited to the members by the Chapter Manager with follow through by the Committee. I know at least one District is using this procedure very effectively and is offering a series of rewards for those who respond, such as small gifts, fruit baskets in rooms at District Meetings, and so forth. The effectiveness of this system is very easy to document by response from the chapters. Anyone can see who is performing and who is not. Once this structure is established it can be used for more than political action. We do not want to over work our members, but obviously a structure that is effective and in place can be far ranging in its impact.

I have just described the formula for successful Electrical Contractor political action. Communication, plus involvement, plus dollars, times commitment equals success. We as the leaders of this association have a great opportunity to take another leadership role by example in the area of political activity. There is no reason why NECA should not be the leading force in political action in the entire construction industry and one of the leading forces in political action in the private enterprise system. We have all witnessed a steady intrusion by government into the affairs of our businesses. It appears to me that in many cases we, through our apathy, are the ones who are to blame for it.

We have a system of governments where the majority rules and those individuals who the majority elects, make the rules. When we are not satisfied with the way things are happening in government, the only way we can

cause change is through our involvement. Plato once said, "A punishment of wise men who refuse to take part in the affairs of government is to live under the government of unwise men". We have not only a right, but a responsibility to be involved. Let us take the lead.

THANK YOU