

THE ACADEMY OF ELECTRICAL CONTRACTING

**Paper Presented by
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**THERE IS NO NEUTRAL ZONE:
CONTRACTORS HAVE TO BE INVOLVED IN THE POLITICAL PROCESS**

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We, the Academy, are role models for the electrical contracting industry. We have earned our industry's recognition as leaders and visionaries. We now need to translate this into action in political terms. Each of us must consider the political and governmental legacy that we are creating for future generations.

Consider the way you would approach securing a major construction project. You would want to review the specs, analyze the scope and timing of the project, and pick your best people – first to estimate the job and then to execute it. You would need to make sure that you have sufficient workers and dollars available to carry out the job and you certainly would be in constant contact back and forth so that everyone – worker, developer, owner – is on the same page as the project goes forward.

Taking charge of your own economic and political future is very similar. In the political arena, we analyze the current environment. Are current operations and the current Congress understanding of and focused on the business issues that are important to us?

Next, we need to decide which candidates (whether incumbents or challengers) we believe will do the best job for us and for our electrical contracting industry. Once we pick them, we have a real obligation to help get them elected. That's where the financial commitment comes into play.

Can we accomplish all of this alone, by ourselves? Absolutely not. We have a major partner in moving our agenda to the top of the list. NECA. Our trade association is highly visible on the issues most important to us, including electric utility deregulation, labor relations issues such as Davis-Bacon, government procurement, and estate tax repeal. NECA also endorses important government reforms to the Occupational Safety and Health Act, the Miller Act and the current health care system.

The constantly changing political dynamics of the Congress make following legislation a full

time job in itself. Through NECA, we have our own inside track to the workings of our federal government. The NECA Government Affairs staff monitors developing legislation and government regulations. NECA gets us the latest breaking news on legislation and regulations that affect our businesses.

In a recent on-line survey, **publicagenda.com** (www.publicagenda.com) asked Americans across the country to select the issues that should be top priorities in crafting US trade policy. The results showed that 74 percent believe that maintaining US economic growth is the most important factor.

Do you know whether or not your elected Senators and US Representatives have your business growth as their top priority? Do you know how to get your opinion heard on the Hill? NECA does and they do it well.

NECA members testify in front of key congressional committees in the early stages of the legislative process. NECA's Government Affairs Staff is there every step of the way, tracking a bill from its drafting to its final passage - protecting the interests of the electrical contracting industry.

Understanding our role is key – first and foremost as Americans and, second, as important contributors to the stability and growth of our nation's economic base.

More than 50 years ago, sociologist David Reisman expressed the view that the president and Congress make decisions based on the wishes of a particular interest group that happens, at that time, to have the largest amount of support from the people. In this way, the political system is democratic. (*Sociology: Exploring the Architecture of Everyday Life*, David Newman and Rebecca Smith).

Reisman argued that decisions of national and international significance are made in the interests of those groups that have the most popular support. People are free to join or otherwise sup-

port the groups that promise to best represent their interests. Power, then, is ultimately in the hands of the people. People, contractors, just like you and I.

So how do we flex our collective muscle? At the federal level, we accomplish this through NECA's Political Action Committee (ECPAC). In 1974, there were approximately 500 PACs in operation. Today, there are more than 5,000. Using our dollars and actions, we need to demonstrate that the positions we take will make our PAC stand out from its competitor PACs. We need to do something substantive to make sure that electrical contractors are properly represented in Congress. We cannot afford the luxury of staying neutral.

There are key issues that will impact our future, our children's futures, and the future of the way business is done in America. Among the most important is permanent repeal of the estate tax.

One alarming statistic reported by NECA is that 70% of family businesses do not survive the second generation. 87% fail to make it to a third generation. Why should our sons and daughters have to "ransom" our businesses back from the government in order to keep the family business intact? Why should an owner be forced to invest in an expensive life insurance policy just to protect the estate's ability to meet federal death taxes?

Can you afford to stay neutral on this issue? Hardly.

Another example that has a major pocketbook impact is construction industry tort reform. Exorbitant claims, frivolous cases, and punitively large settlements are creating major problems in the cost and availability of construction insurance coverage. Fear of liability lawsuits has made it difficult, if not impossible, for contractors to secure certain kinds of insurance. This litigation spiral also has an impact on the eventual cost to the consumer for products and services. NECA supports the position that comprehensive tort reform is an important means to help resolve the

problems of increasing cost and decreasing availability of insurance for contractors.

The list of issues and positions goes on and on.

- Opposing the repeal of the Davis-Bacon Act
- Urging Congress to increase funding for infrastructure improvements of the highest quality and safest work product
- Making sure that multi-employer plans are treated fairly when Congress addresses long-term reform of our nation's pension system.

In the month of April 2004 alone, NECA issued 14 position papers (available for your review at the web site www.necanet.org), outlining these issues and telling us what actions NECA will take and what actions we will need to take to get our position noted in Congress.

By now, you have evaluated and ranked these issues. In many cases, you may have come to the determination that "All of this is happening in Washington. I am not in Washington, so my involvement is minimal." That's the wrong approach and definitely the wrong answer.

Electrical contractors can and will be heard in the government process. We have a direct voice in supporting the individuals whom we want to represent us. We accomplish this through our financial commitment. As NECA-member electrical contractors, we give to ECPAC so that we have a base of funds to distribute during each election cycle. We guide NECA's choice of selection as well.

We know which candidates from our part of the country will do the best job for us and for our businesses. We relay that information to ECPAC before the funds are "divvied up" among the candidates. We can also participate directly with our elected officials and with candidates on a personal basis. We can be the contractor who presents the check – showing the candidate the exact level of our support and investment.

Don't be naïve about this. Candidates, and their staff members, have long, loyal memories. They know who stepped up to the plate to help get them elected. Once we help them reach the House or Senate, the organizations who provided dollars when they were really needed for the campaign are the ones whose phone calls get returned the quickest and with the most action behind the message.

Every NECA member has the same opportunity to contribute to ECPAC. It's hard to understand why some contractors are not willing to invest \$100 per year to make sure that their business is better protected in Washington.

It's equally hard to understand why many contractors will not take the time to address a message to their Representative and Senators to let them know exactly how the folks in the District feel about an important upcoming issue or vote.

Getting this done at the grass roots level is just as important as presenting a check in Washington. NECA recognizes this and has put in place an important initiative that can involve every member in every NECA Chapter across the country. NECA's Action Team program provides an efficient grassroots network that alerts NECA contractors when pending legislation will have an affect on their businesses. This network allows their letters and calls to reach Capitol Hill when they will have the most impact.

In 2003, NECA established the Political Leadership Council specifically to involve and recognize those who make the maximum allowable individual commitment of \$5,000 per year to our political action process. This Council is

taking an active role in identifying the key issues that we want addressed and in meeting directly with top Congressional leaders to make our views and recommendations known. We cannot afford to let other PACs tell Congress that they alone represent the construction industry. NECA's electrical contractors want the visibility, the access, the influence, and the results.

One final note, especially for members of the Academy. We have the honor to be members of one of the most important components of the construction industry. We have the honor to belong to the best trade association in the business, NECA. We have each been selected and honored by our peers to come together as members of the Academy. We are successful business entrepreneurs and have a duty to protect and promote our industry.

My personal conclusion regarding my own responsibility to the political process is simple. I choose to take an active role. Staying neutral on the sidelines is just not an option.

Jerrold H. Nixon, President of Maron Electric Company, Skokie, Illinois, first became involved with NECA in 1961. He has served on the Board of Directors of the Chicago and Cook County Chapter for the past 20 years, 2 years as Treasurer, 2 years as President and 2 years as Governor. He served as the chapter's representative on the ELECTRI'21 COUNCIL until 1999 when his own company joined as a Founder. He is the current Midwestern Chairman of the Political Leadership Council.