



Date: August 18, 2006

Memo To: Members of the Board of Governors, NECA

From: J. Michael Thompson, Secretary-Treasurer

Subject: Ordinary Proposals/Resolutions

In accordance with Section 8.8 of the NECA Bylaws, the attached proposals were properly submitted and were directed to, or evidently intended for, submission to the October 7, 2006 meeting of the Board of Governors, being held at the Sheraton Hotel in Boston, Massachusetts.

The attached proposed changes, if adopted, shall become effective immediately unless otherwise indicated.

pc: Chapter Presidents
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ORDINARY PROPOSAL #1 - Re: Reporting of Board of Governors Ballot Results
(Submitted by the St. Paul Chapter, NECA)

WHEREAS, The NECA Board of Governors has by past policy cast secret ballot votes;

WHEREAS, In order to eliminate secrecy in the governance of NECA, the votes cast by each governor should be made public to the members, now, therefore, be it

RESOLVED, That following a meeting of the Board of Governors at which a ballot vote is taken, the Secretary-Treasurer shall make available to each chapter a tally of each ballot vote showing the number of votes and decision cast by each governor.

Comment from NECA National Office:

The governing documents do not address this issue and allow the governors to determine under which system they wish to operate. The last time this matter was brought before the governors was in 2004, when it was rejected. No recommendation is offered.

ORDINARY PROPOSAL #2 – Re: Revised NECA Strategy to Negotiate Restructured Category I, IBEW-NECA Agreement Language (Submitted by the St. Louis Chapter)

WHEREAS, NECA members are absolutely convinced that aggressive changes are necessary to amend standard NECA-IBEW Agreement language and provide tools for union employers to recapture and maintain market share in direct competition with open-shop contractors;

WHEREAS, Implementation of these critical changes will expand employment and enable NECA contractors to better secure wages and benefits provided for our IBEW workforce;

WHEREAS, the continued success of NECA-IBEW contractors is threatened by non-union contractors who have adequate freedom to recruit and compensate individual employees commensurate with the specific worker’s skill, abilities and performance;

WHEREAS, NECA contractors can compete more successfully with non-IBEW employers, increase market share and significantly expand employment opportunity for IBEW members if Category I referral procedures are sufficiently flexible to recruit and place trained and consistently productive workers when and where necessary;

WHEREAS, the survival of NECA-IBEW contractors may be contingent upon NECA’s successful negotiations to achieve IBEW agreement to mandate classifications and corresponding wage-benefit rates that are sufficiently flexible to allow member contractors to implement a competitive crew mix;

WHEREAS, NECA’s Labor Relations Task Force issued June 15, 2006, a Report on the 2005 Ordinary Proposal #5 including the required strategy to achieve NECA’s goal for negotiations with the IBEW for more competitive agreement language;

WHEREAS, The membership of the St. Louis Chapter commends NECA’s Labor Relations Task Force for initiating a recommendation for the above referenced strategy; but seeks to amend this strategy to achieve more aggressive and sweeping changes to counter critical and imminent market threats to member survival, now, therefore be it:

RESOLVED, that NECA’s Board of Governors’ adopt the amended strategy listed herein to achieve an aggressive and comprehensive overhaul of standard NECA-IBEW Agreement language; and be it additionally;

RESOLVED, that attached agreement language be proposed by NECA to achieve sweeping improvements to the market share controlled by NECA contractors and the employment levels and job security enjoyed by IBEW members:

Revised NECA Strategy to Negotiate Amendments to NECA-IBEW Standard Agreement Language

1. It shall be the policy of the National Electrical Contractors Association that every resource of the Association will be utilized to achieve a dramatic, nation-wide increase in the share of our various markets controlled by contractors signatory to NECA-IBEW Agreements. To facilitate this effort, NECA shall expand the online resources available from the NECA website to include a database of all local labor agreements and a collection of local area “best practices” to include examples of flexible agreement language. The collection of all local labor agreements and the development of a “best practices” language catalogue will require the cooperation of the chapters in submitting these for inclusion on the website.

This information will create a resource that allows our chapters to have access to the best language available for their negotiations.

2. NECA's leadership shall schedule a meeting as soon as possible with the IBEW leadership to initiate negotiations to achieve a complete restructuring of standard NECA-IBEW Agreement language. The urgency of the industry's current situation shall be stressed. NECA's leadership shall request the IBEW's assistance to increase competitiveness by immediately expanding the flexibility of all agreements and consequently securing more work for our respective memberships.
3. NECA shall initiate negotiations with the IBEW to replace all current Category I and Category II Referral Procedure language (including Reverse Layoff) with language developed by NECA's Labor Relations Task Force as published in the June 15, 2006, Report of NECA's Labor Relations Task Force. This referral procedure shall be applicable to the journeyman level classification only in the various IBEW-NECA Agreements. The employer shall retain the right to recruit, employ and assign employees from any other classification. Apprentices shall continue to be recruited and placed for employment in accordance with NJATC standards.
4. NECA shall initiate negotiations with the IBEW to create multiple classifications to facilitate the assignment of a crew with an effective mix of skills and competitive crew costs. NECA shall propose new Category I language to mandate a national minimum standard for classifications requiring all NECA-IBEW Agreements to include at least one additional classification – "Construction Installer". This new minimum standard shall specify the following:
 - The contractor shall have the right to employ Construction Installers and assign these employees to any project at the employer's discretion.
 - The employer shall decide whether or not to utilize this classification and shall have no restriction as to the number of Construction Installers that may be employed by the employer or assigned to specific projects.
 - Construction Installers may be assigned to any task based upon the employer's evaluation of the individual's skill and ability.
 - The employer shall have the right to recruit, employ and assign Construction Installers. The employer shall register Construction Installers with the local union by communicating the employee's name and social security number to the union on the date the Construction Installer is employed.
 - The Construction Installer classification shall be utilized to reduce crew cost. The local Joint Labor-Management Committee shall negotiate and publish a wage/benefit package for the Construction Installer classification. The total wage/benefit package for the classification, however, shall not exceed 50% of the total package for the Journeyman classification in that Agreement.

The new National Minimum Standard for classifications shall authorize local Labor-Management Committees to establish any additional classifications for employees that they believe appropriate to address local market conditions. Such classifications may include Construction Wiremen/Construction Electricians, Material Handlers or other

classifications to address special skills, certifications or compensation concerns. New Category I Language would not impose any limitation upon local parties concerning additional classifications.

5. NECA shall initiate negotiations with the IBEW to achieve unrestrained Non-Resident Employee (portability) language. The model for this revised language shall be the portability language from the Voice, Data, Video National Agreement.
6. Current Category II Age Ratio Language is discriminatory and potentially illegal. This language should be deleted from Category II IBEW-NECA Standard Language.
7. NECA shall propose revisions to the Category I Standard Shift Clause to allow the contractor to schedule multiple flexible shifts of at least one (1) day's duration and implement more competitive shift rates as follows:

Second Shift (Swing Shift) Rate – Eight hours pay at the regular hourly rate + \$0.25 per hour for eight (8) hours' work.

Third Shift (Graveyard Shift) rate – Eight hours pay at the regular hourly rate + \$0.50 per hour for eight (8) hours' work.
8. Negotiations should be undertaken to negotiate Category I Mandatory Language to implement Minimum National Standards for Safety Policy, similar to recently adopted Minimum National Standards for Substance Abuse Policy. No specific language is proposed to implement this recommendation; however, the formation of a joint task force is recommended to accomplish this task within a six-month period.

Comment from NECA National Office:

The Executive Committee and the Labor Relations Task Force recognize the urgency and concur that increased flexibility and competitive changes are needed in local agreements. This proposal implies that nothing is being done in these areas, which is not the case. The June 15, 2006, Report of NECA's Labor Relations Task Force contains a strategy that is being followed. Although it will require a longer than usual comment, we feel that in order for you to properly consider this proposal, you need to know what is currently happening under that strategy in regard to the specific actions called for under the proposal's "Revised Strategy."

The following statements refer to the numbered points in the Ordinary Proposal:

Item 1: The development of this web site resource is already in progress and it should be up and running prior to the Board of Governors meeting. Chapter agreements are being posted to the NECA private site and will be available to all members. The depth of this resource is contingent on chapters providing the national office with their agreements in electronic format. Similarly, the national office has for some time collected and made available local agreement language that could be beneficial to other chapters and this information will be added to the web site. In addition, chapters will be able to post any language or best practices they feel would benefit other chapters.

Item 2: NECA's Labor Relations Task Force has already met with the IBEW leadership, including Ed Hill, International President; Jon Walters, International Secretary-Treasurer;

Larry Neidig, Executive Assistant to the International Officers; and Mark Ayers, Director, Construction and Maintenance Department, as recently as July 25 to discuss all of these issues. NECA's Task Force made clear to the IBEW the need for quick action to make our local agreements more competitive. The parties have agreed to meet again.

Item 3: At the July 25th meeting, NECA's Labor Relations Task Force went over its June 15, 2006 report with the IBEW leadership and specifically offered the proposed change to Category I Referral Language referenced in this Item. International President Hill restated his position that he is not agreeable to abolishing the current referral system and replacing it with a "call by name/direct solicitation" system. Nonetheless, we intend to continue discussing the employers' need for greater flexibility in obtaining workers at our future meetings.

Item 4: Among the items that we have been discussing with the IBEW for some time is the need for lesser-skilled/lower-pay workers, such as the "Construction Installer." The Construction Wireman/Construction Electrician classification is the result of those discussions, and the IBEW has indicated that it is not interested in adopting an additional classification when the CW/CE has not even had a chance to prove itself. At the July 25th meeting, the Labor Relations Task Force relayed the request of NECA's membership that the CW/CE classifications be made mandatory and Category I. The IBEW responded that they felt that mandating adoption of these classifications would not be necessary because as their success became apparent, other areas would be eager to adopt the classifications without a national mandate and that combined with apprentices, a fully functioning CW/CE classification should reduce or even eliminate the need for other classifications as these two classifications would provide a permanent pool of lower-skilled, lower-paid workers, while allowing individuals who are able and motivated to gain skills and progress to journeyman status to maintain our skilled base. NECA's Labor Relations Task Force will continue to work for the expansion of the CW/CE classification in future meetings with the IBEW.

Items 5, 6, & 7: The full report of NECA's Labor Relations Task Force was given to the IBEW at the July 25th meeting and all of the issues, including these three, are under discussion at this time. The IBEW indicated that they were willing to negotiate on some of the issues and that they are not opposed to competitive flexibility, but pointed out that all of the recent changes to the national language, such as mandatory drug testing and the Construction Wireman/Construction Electrician classifications, had been agreed to without asking anything in return – future changes, they indicated, "would not come for free."

Item 8: NECA and the IBEW have always had a keen interest in job site safety. However, it should be noted that safety is a management responsibility under OSHA and NECA has always advocated the position that employers should be free to implement necessary safety practices without interference from the IBEW. For its part, the International Office of the IBEW also views safety as a management responsibility and a management prerogative. The IBEW leadership has told us that it supports employers implementing strict safety programs. NECA feels that safety programs are best developed by the employers to meet the employers' needs and that the employers are free to implement and enforce such policies under the Category I Management Rights Clause. New national language establishing "safety standards" could inadvertently undermine the safety programs already adopted by some contractors or chapters.

Because the ongoing discussions between the NECA Labor Relations Task Force and the IBEW under the current strategy touch on all of the issues raised in the proposed “revised strategy,” this Ordinary Proposal could seem somewhat redundant and unnecessary at this time. Its implication that the IBEW is either unaware or unconcerned about the challenges facing our industry could have a negative impact on our current work and future meetings with the IBEW.

ATTACHMENT TO ORDINARY PROPOSAL #2

**PROPOSED CLAUSES TO AMEND NECA-IBEW
STANDARD AGREEMENT LANGUAGE**

A. Amend Category I Referral Procedure – All current Category I and Category II Referral Procedure language (Article IV), is deleted and replaced by the following new Category I Referral Procedure:

Article IV The Union shall maintain a chronological list of applicants for journeyman employment. The union will be the sole and exclusive source of referral of applicants for journeyman employment. The employer shall have the right to request applicants by name from the out of work list or may choose to request from the union the next available applicant off of the list. The employer shall have the right to refuse any applicant for employment. If the union is unable to refer an applicant for employment within 48 hours, the employer shall have the right to hire from any source. If any applicants are hired from a source other than the local union, the employer shall furnish the names and social security numbers of the individuals hired to the union within 60 days of employment.

B. Proposed Language to Revise Category I Language to Create a New National Minimum Standard for Classifications.

This proposal mandates multiple classifications to facilitate assignment of a crew with an effective mix of skills and competitive crew costs.

ARTICLE ____, SECTION ____
CLASSIFICATION / WAGES

NATIONAL MINIMUM STANDARD FOR CLASSIFICATIONS:

NEW Section ____. All NECA-IBEW Inside Agreements shall utilize at least the following classifications of workers:

- 1) Journeyman Wireman/Journeyman Technician – The Journeyman classification shall be the primary skilled classification of employees utilized to perform work under the (Inside, etc.) Agreement. Journeyman Wiremen/Journeyman Technicians shall be employed utilizing Referral Procedures specified by Article IV of this Agreement.
- 2) Apprentice Wireman – Apprentices are workers enrolled in structured training to develop skills necessary to become fully qualified Journeyman Wiremen. Additional requirements pertaining to Apprentices are specified by Article V of this Agreement.
- 3) Construction Installer – The Employer shall have the right to employ support workers to assist Journeyman Wiremen and perform such tasks as assigned by the

Employer and jobsite supervision. Conditions applicable to this Construction Installer classification include:

- (a). The contractor shall have the right to employ Construction Installers and assign these employees to any project at the Employer's discretion.
- (b). The Employer shall decide whether or not to utilize this classification and shall have no restriction as to the number of Construction Installers that may be employed by the Employer or assigned to specific projects.
- (c). Construction Installers may be assigned to any task based upon the Employer's evaluation of the individual's skill and ability.
- (d). The Employer shall have the right to recruit, employ and assign Construction Installers. The Employer shall register Construction Installers with the Local Union by communicating the employee's name and social security number to the Union on the date the Construction Installer is employed.
- (e). The Construction Installer classification shall be utilized to reduce crew cost. The local Joint Labor-Management Committee shall negotiate and publish a wage/benefit package for the Construction Installer classification. The total wage/benefit package for the classification, however, shall not exceed 50% of the total package for the Journeyman classification in that Agreement.

4) All Agreements shall implement the Journeyman Wireman/Journeyman Technician, Apprentice Wireman and Construction Installer classifications. The Labor-Management Committee designated by the parties to this Agreement is authorized to establish any additional classification(s) that the parties deem necessary to address local market conditions. Such classifications may include Construction Wiremen/Construction Electricians, Material Handlers or other classifications to address special skills, certifications or compensation concerns.

C. Proposed Language to Amend "Non-Resident Employees" Language (Portability)

Current "Non-Resident Employees" language is deleted and replaced with the following:

PORTABILITY:

Section _____ (a). Any signatory employer performing work within the scope of this agreement shall be allowed full portability of workers, including apprentices, between local unions. The employer recognizes that apprentices have certain responsibilities to their base JATC for purposes of classroom training and will accommodate these apprentices in meeting those responsibilities. An Employer may direct employees of that Employer's company, previously assigned to work in another Union jurisdiction, to the Local Union for referral. When utilizing this portability provision, the Employer shall notify the Local Union referral office of the names and social security numbers of transferred workers so that the Union may register such employees. Transferred workers shall not be required to physically appear and register at the Local Union referral office prior to assignment to a specific project.

(b). The local union having jurisdiction over the area where the employer's office is located (or any local union where the Employer is assented to a Labor Agreement and an individual worker has established fringe benefit eligibility) shall be known as the base local union. Workers, including apprentices, referred to the employer by the base local or assigned by the base JATC, who are subsequently moved to the jurisdiction of another local union, shall be paid in accordance with, and not less than, the pay rate and fringe benefits established in the base local. All fringe benefit payments shall be made directly to the base local fringe benefit plans. If the total wage and fringe benefit package for the appropriate classification in the local union jurisdiction where the work is performed (site local union) is higher than the total wage and fringe benefit package in the base local, the difference shall be converted to dollars and added to the employee's hourly wage rate.

(c). An employer may request and shall be referred workers from the local union where the work is being performed (site local union), according to Article ___ of this agreement. Such workers shall be compensated in accordance with the agreement in effect in that local union jurisdiction regardless of any difference in that rate and the base local rate.

(d). An employer may request additional apprentices from the JATC where the work is being performed (site JATC) according to Article ___ of this agreement. Such apprentices shall be compensated in accordance with the agreement in effect in that local union jurisdiction regardless of any difference in that rate and the base local rate.

(e). When an employer who is working outside his base local union area, and has had workers referred from the local union where the work is being performed, transfers those workers to the jurisdiction of his base local union or any other local union(s), the employer shall notify the base local union and site local union of the names and Social Security numbers of these transferred workers. Such workers shall then be considered to have been referred from and compensated as if they were referred from the employer's base local union area; and all fringe benefits shall be paid to the base local union funds directly until such time as they cease to be employed by the employer.

D. Proposed Language to Adopt Revised Category I Shift Clause

SHIFT WORK:

(Note: This revised clause replaces Category I Shift language currently listed as Section 3.12)

Section 3.12. When so elected by the contractor, multiple shifts of at least one (1) day's duration may be worked. When two (2) or three (3) shifts are worked:

The first shift (day shift) shall consist of eight (8) consecutive hours worked between the hours of 8:00 A.M. and 4:30 P.M. Workmen on the "day shift" shall receive eight (8) hours' pay at the regular hourly rate for eight (8) hours' work.

The second shift (swing shift) shall consist of eight (8) consecutive hours worked between the hours of 4:30 P.M. and 1:00 A.M. Workmen on the "swing shift" shall receive eight (8) hours' pay at the regular hourly rate plus \$.25 per hour for eight (8) hours' work.

The third shift (graveyard shift) shall consist of eight (8) consecutive hours worked between the hours of 12:30 A.M. and 9:00 A.M. Workmen on the "graveyard shift" shall

receive eight (8) hours' pay at the regular hourly rate plus \$.50 per hour for eight (8) hours' work.

The Employer, upon notice to the Union, shall be permitted to adjust the starting time for any shift by up to two (2) hours in order to address the needs of the customer. By mutual consent, the Employer and the Union may change the starting time for any shift, including the day shift, by more than two (2) hours provided mutual agreement is reached concerning the appropriate rate of pay for the revised shift.

Provided the Employer so notifies the Union, the shift week may commence with the third shift (graveyard shift) at 12:30 A.M. Monday to coordinate the work with the customer's work schedule.

An unpaid lunch period of thirty (30) minutes shall be allowed on each shift. All overtime work required before the established start time and after the completion of any shift shall be paid at one and one-half times the "shift" hourly rate.

There shall be no pyramiding of overtime rates and double the straight rate shall be the maximum compensation for any hour worked. There shall be no requirement for a day shift when either the second or third shift is worked.