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Labor Relations Bulletin

FROM THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION

The ABC's of Letters of Assents

The National Electrical Contractors Association (NECA) and the International Brotherhood of Electrical Workers (IBEW) boast a long and successful history of collaboration. This strong partnership fosters a stable environment for electrical contractors by establishing clear labor relation guidelines through a framework known as Letters of Assent.

What is a Letter of Assent?

A Letter of Assent (LOA) between a NECA Chapter and IBEW Local Union formally binds an electrical contracting business to a pre-negotiated Collective Bargaining Agreement (CBA) established between the NECA Chapter and the IBEW local Union. This can also be a CBA between NECA National and the IBEW International for any national agreements with an independent assent – such as the Voice-Data-Video National Agreement (VDVNA). Signing an LOA is entirely voluntary.

Why do we have Letters of Assent?

- **Multi-Employer Bargaining:** LOAs facilitate multi-employer bargaining, where NECA chapters negotiate on behalf of all LOA signatory employers with the Local Union. This eliminates the need for each contractor to negotiate separate agreements.
- **Balanced Negotiation Power:** By uniting as collective group, employers can achieve a more balanced dynamic during negotiations, ensuring fair representation for both labor and management. This prevents undue pressure on a single employer. Each employer could sign the NECA-IBEW CBA individually each time, but the logistics of that are generally unreasonable.
- **Standardized Operating Environment:** LOAs sign a contractor to the CBA, a standardized set of rules that all businesses operate under. This allows competition to focus on merit and expertise rather than solely on an employer's relationship with the Union.
- **Construction Structure:** Construction employers can sign a LOA before having employees, which is atypical to other industries that require majority representation status with employees by a Union. Traditionally, the employer cannot seek out and select which Union it has a relationship with. Without a LOA, construction employers would not be able to hire employees in an area when traveling as soon as they arrive.

Which Letter of Assent is Which?

As a signatory contractor and NECA Chapter party to the LOA, it's important to understand the different types of LOAs available, each with its own structure and termination clauses:

- **LOA A (Standard):** This most common LOA binds you to the current and all successor CBAs negotiated by NECA-IBEW. It also designates the NECA Chapter as your bargaining representative for

all labor relations matters. However, you retain the flexibility to terminate the agreement with 150 days' written notice. NECA only recommends an employer sign a LOA A, even when traveling. The employer can make the decision to terminate as it sees best if it leaves an area. There is nothing that prevents an employer from signing a new LOA A later.

- **LOA B:** Originally designed to self-terminate after a specific project or time period for traveling employers, these LOAs have been modified to auto-renew, requiring advanced notice (100 days) for termination. Unlike LOA A, it doesn't appoint the NECA Chapter as the bargaining representative.
- **LOA C:** This unique LOA functions as a trial period for contractors considering a long-term unionized workforce. It binds an employer to the agreement for a minimum of six months, with the option to terminate before 12 months if they are current with all benefits and contractual obligations. If not terminated, it automatically renews. This allows contractors to assess the benefits of a unionized workforce before committing to a long-term arrangement. This is intended to only be available once to an employer.

Copies of LOAs can be found on NECA's Labor Relations page [here](#) under "Letters of Assent." As a reminder, NECA membership status does not impact the LOA status between a NECA Chapter and assented employer.

Can a LOA be terminated?

Terminating the LOA does not end the obligation of an employer to the Union. First, they must timely notify the NECA Chapter and IBEW Local Union in writing, then tell Union if they wish to bargain a new agreement with the Union, or a successor agreement and sever the relationship at its conclusion. After a successor agreement the relationship is severed.

The Chapter is still the representative for grievances with a terminated LOA A, and the Chapter is required to represent the employer during a Labor Management meeting. This is important as a Chapter would not want an independently represented employer to make a decision on its own that could adversely impact the remainder of the bargaining unit.

In 1987, the NLRB issued a decision known as the [Deklewa Decision](#) (*John Deklewa & Sons, Inc. 282 NLRB 1375, 1378 (1987)*). This decision did away with the automatic conversion of a Section 8(f) to a Section 9(a) relationship with the Union. If a construction contracting company has a Section 8(f) relationship, once terminated in the specified steps and timeframe, the relationship with the Union ends and it does not have to negotiate a successor CBA (unless the CBA language that says otherwise). If a construction company is in a Section 9(a) relationship with the Union, they have a continuous bargaining obligation, meaning that even though they have attempted to end the relationship, if the Union can show a majority support in the company, then it has a legal obligation to bargain a new CBA. Additional 8(f) vs 9(a) relationship guidance is available through NECA Labor Relations.

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