

Historic Agreement for NECA New York and IBEW Local 3

2007 Labor Negotiations Create Flexible Tools to Capture Markets and Enhance Productivity

INDUSTRY REACTIONS

The recent round of labor negotiations between NECA New York and IBEW Local 3 resulted in an historic agreement designed to increase both market share and productivity at the same time. While the union stated that this contract would not be negotiated as a no cost contract, it also recognized the importance of regaining lost markets and expanding existing ones as essential for anchoring union electrical contractors in New York.



"This new contract is an historic one. It sets up a new unprecedented collaborative relationship between labor and management. We are ready to go to work to serve our clients even more effectively than before. And, now we are better prepared to increase our competitive position in markets such as affordable housing."

GINA ADDEO
President
NECA New York



"Our contractors and their skilled workforce are the best trained electricians in the country. Our new contract supports the way in which we will continue to advance our performance on jobs that continue to demand the highest level of training and application of complex technology."

MICHAEL CASTELLANO
Vice President
NECA New York



"Our new contract is a more effective tool. It allows us to increase productivity, use a more competitive combined rate and continue to collaborate with labor productively for the benefit of the owners and builders our member companies serve."

EDWIN LOPEZ
Chapter Manager
NECA New York



"The negotiation process for this contract was a demanding one. Our members spent over 180 hours, weekdays and weekends, meeting and refining the new provisions that make this contract one of the most progressive labor tools in our history."

RICHARD WISHNIE
Assistant Chapter Manager
NECA New York

"At the start of the NECA New York and Local 3 contract negotiation, labor and management identified that they were at a crossroads," reported Edwin Lopez, NECA New York's Chapter Manager. "This negotiation demanded that they work collaboratively to create a contract that would ensure a sustainable union electrical industry in New York City's construction market. To say we build New York is not enough," says Lopez. "This contract allows us to build more of New York."

According to Lopez, there were many positive changes in the new contract. New industry apprentices will earn a lower hourly wage than existing apprentices – all of whom will be receiving a lower cost benefit package. Apprentices will also be accepted into the electrical industry at a rate of 300 per year for the next three years while apprentices who are terminated, removed or have resigned from the Apprentice Training Program will be replaced. This new provision will ensure that there is an effective procedure to add apprentices to Local 3's labor supply.

"To say we build New York is not enough. This contract allows us to build more of New York."

"The affect of these changes will result in a lower combined rate to bid projects," said Gina Addeo, President of NECA New York and Chairwoman of ADCO Electric. "This gives electrical contractors an added tool to bid even more competitively on projects. It is significant for us as an industry to recapture work that we may be losing to non-union contractors," she added.

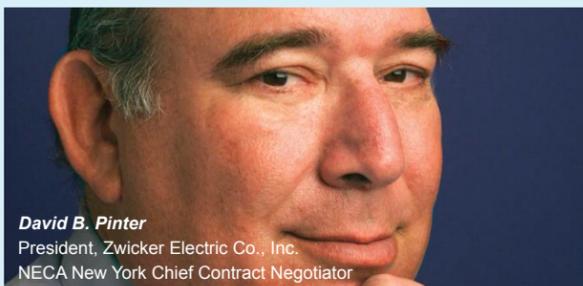
There are also changes to the Apprentice Training Program. According to Michael Castellano, Vice President of NECA New York, "an apprentice will participate in a longer training program before the journeyman level can be achieved. The gain for NECA New York contractors is a larger lower-cost labor pool," said Castellano. "The benefit for apprentices," he added, "is that their extended apprenticeships will be utilized to provide them with advanced education and training in all the up-to-date techniques necessary to ensure a highly-skilled future work force." A state-of-the-art electrical industry training center is to be established to maintain high levels of performance excellence.

As part of the industry's Employment Plan, NECA New York contractors have had to maintain an Emergency Work Sharing Plan whereby a mandatory furlough plan is initiated when previously agreed to unemployment levels are

Continued on Page 2 – Historic Contract

GROUND BREAKING AGREEMENT SETS TONE FOR NEW YORK'S ELECTRICAL INDUSTRY

David Pinter, President, Zwicker Electric Co., Inc., served as NECA New York's Chief Negotiator for the recent 2007 contract between NECA New York and the International Brotherhood of Electrical Workers, Local 3. Here Mr. Pinter comments on the contract process, its results and its industry implications.



David B. Pinter
President, Zwicker Electric Co., Inc.
NECA New York Chief Contract Negotiator

Recently elected as IBEW Local 3 Business Manager, Christopher Erikson set a new paradigm for this new round of electrical industry contract negotiations – the goal was to advance the entire industry as a whole to the benefit of both labor and management.



Christopher Erikson
Business Manager
IBEW Local 3

We recently concluded our collective bargaining session with Local Union 3 and have entered into a new three-year agreement. There was a lot 'new' about the complexion of these negotiations. For the first time since the 1960s, we were negotiating with a new business manager; our own organization had new leadership, Edwin Lopez, NECA New York's Chapter Manager; we had one of the youngest negotiating committees in my memory; and we had one of the largest representations of our contractor community participating in this negotiation. With all of

"I believe there was a genuine effort by each of the parties to the agreement to recognize and address the needs of one another. When that happens as it did here, both sides walk away satisfied. The fact that the agreement was unanimously ratified by both sides is a strong indication that our industry is solidly behind the agreement. Local 3 is looking forward to moving ahead with the new agreement and its members are excited about the new work opportunities that it should bring."

Continued on Page 2– Pinter Commentary

NEXT GENERATION ELECTRICAL CONTRACTORS ANCHOR TRADITION OF INTEGRITY AND CUSTOMER SATISFACTION

NJS Electric and Kleinknecht Electric Set New Tone for Corporate Leadership

For many of New York's electrical contractors, electrical contracting is a business – and even more so a way of life – into which they are born. In an industry already steeped in tradition, much of the City's electrical work is being performed by second and third generation electrical contractors who are bringing new perspectives to the business of electrical contracting. Two of these electrical contractors are Nicholas Stefanou who heads NJS Electric and Lisa Kleinknecht, the newly-named President of Kleinknecht Electric Company. Both are NECA New York contractors who were born into the electrical industry. Both are growing and shaping their companies considerably under their own personal leadership.

NJS Advances Balance Between Service and Expertise

Active in the electrical industry since 1986, Nicholas (Nick) Stefanou, President of NJS Electric, has family ties to the industry spanning back three generations. His grandfather, William O'Reilly, was the owner and operator of one of the largest electrical supply companies in Dublin, Ireland, while Nick's father, John Stefanou, was one of the first Greek immigrants to hold an electrical license in New York City.



NICHOLAS STEFANO
President, NJS Electric

the success story it is today.

After ten years in business, NJS Electric enjoys long-term client relationships and a reputation for industry excellence. Nick's corporate signature, 'Beyond Power' affirms his balanced commitment to both expertise as well as performance.

"For me, every job we undertake is a contract for our electrical knowledge as well as the way in which we perform our services. We do the best work with the best attitude," says Nick. The firm serves many of New York's leading commercial and institutional owners as well working for leading construction contractors.

What has always separated NJS Electric from other electrical contractors is Nick's thorough understanding of the needs of real estate owners, builders and tenants and what they require from their contractors. This market awareness, along with his industry knowledge, has allowed Nick to shape NJS Electric into

Kleinknecht Expands Options for New Opportunities

As a third generation Kleinknecht-family contractor, Lisa serves as President of Kleinknecht Electric Company, Inc. The heritage of her company dates back to her grandfather, George Kleinknecht, who founded the company in 1916. From Lisa's grandfather, the company was passed down to her father, Richard Kleinknecht, who began his electrical career at Kleinknecht Electric in 1956 while working as a college summer helper.



LISA KLEINKNECHT
President, Kleinknecht Electric Co.

Kleinknecht Electric is a "24/7" business whereby Lisa Kleinknecht and her organization are available on-call to their clients around the clock. "If a client has an emergency at 3:00 in the morning, it's up to us to come and fix it," says Lisa. As a third generation family business, Lisa works closely with her brother, Mark Kleinknecht, who oversees

sales, marketing and estimating. Under Lisa and Mark's leadership, Kleinknecht Electric has expanded to include a full range of electrical, data/telecommunications and maintenance services to its clients. Lisa Kleinknecht is taking the firm into new business development opportunities with her recent certification by Women's Business Enterprise National Council (WBENC).

Since the company was founded, it has been a client-oriented business focused on people, relationships and quality work. According to Lisa Kleinknecht, "it's not just about electrical power or cabling, it's about service and creating value for customers."

Pinter Commentary Continued from Cover Page

these 'first time' factors, the negotiation proceeded well and culminated in an agreement that I would describe as a win-win for both sides.

An Unprecedented Negotiation. What was unprecedented about these negotiations was the awareness by both sides, labor in particular, that even though we are adversarial by the nature of whom we are representing, our goals were similar. We were both negotiating for the health of our industry and tried as best we could to leave our collective egos at the door.

Local 3's Business Manager, Chris Erikson, stated early on in the process that this was not going to be a zero cost contract. He also stated that he does not intend to make the cost of doing electrical work any higher than it already is. This is a difficult path to navigate, and I believe he did an excellent job of trying to obtain both.

Evidence of this is the reduction in the cost of the hourly rate of new apprentices as well as a reduction in the cost of the benefit package of existing apprentices. In addition, the period of time for the apprenticeship program was extended by six months, thereby further driving down the effective rate for bid work.

Reclaiming Lost Market Share. Obviously non-union work was a focus of this agreement. We came to several areas of mutual agreement upon practices to reclaim lost market share. One of these areas was revisions to materials and installation practices in order to make us more competitive in the marketplace. Also, an agreement was reached on affordable housing, competitive work, market rate housing, hotels and commercial projects.

Temporary Light – An Issue to Reclaim Our Jurisdiction. Temporary light, another issue that some may view as a give back, should be looked at in the manner in which it was negotiated. This issue arose from our 2004 negotiation where the union relinquished

temporary light standby unless at the owners' request. Unfortunately there was much abuse and encroachment upon our jurisdiction, which labor made a point to stop. However, the Business Manager reiterated time and again this is not an issue of standing around watching light bulbs burn, but rather to claim our jurisdiction where other trades were abusing the work, which we had installed and for which we had filed. In order not to make this punitive, we negotiated a compromise to forgive certain benefits on the overtime portion of temporary light with up to two men. Also, the new contract provided that these temporary light electricians would work on contract work and remain productive. This is just one of several examples of where labor realized that we can retain our jurisdiction without raising the cost of the work performed.

Retirement Incentives. There was much discussion spent on retirees. We also made for the first time in several years a significant increase in the pension package. This should have a positive impact. Those mechanics that were considering retirement will now be able to do so sooner and as a result reduce Local 3's high unemployment.

Work Sharing Modifications. Modifications were also made to the work-sharing plan. More flexibility was given to the employers and their clients to encourage more continuity in the management of their job.

Conclusion. Overall, I would like to say it was a fair contract for both parties with each side receiving needed relief. We kept our focus on the premise that although we have different needs, the health of our industry needs a workable agreement for both parties. We have achieved this goal. Now the challenge begins: Take what we as contractors negotiated and go out and bid on new work in alternative and new markets using the new tools we have negotiated.

An Historic Contract Continued from Cover Page

reached. "This plan", explains Richard Wishnie, NECA New York's Assistant Chapter Manager, "creates a fair opportunity for all electricians to share the burden of unemployment, although it does entail additional costs and hardship for electrical contractors. To reduce the need for imposing the furlough plan, the new contract provides for an increase in pension payments and other incentives which could allow for a rapid reduction in the overall labor pool, thus potentially reducing the need for future furloughs."

The idea behind this is that along with an increase in

work opportunities, a smaller work force will eradicate the need for a furlough plan altogether. This reduction to the work force will come about at no additional cost because the pension payments and incentives are to be covered by a large surplus in the Pension Trust Fund. Finally, if the furlough plan is needed, an amended plan provides greater flexibility for electrical contractors to continue to operate their businesses and meet their clients' needs.

This contract is indicative of a willingness of both NECA New York and IBEW Local 3 to work towards sustaining the electrical industry and ensuring its health moving forward.

MORE ON THE CONTRACT

CONTINUED FROM COVER PAGE



GARY SEGAL
Five Star Electric

"This was a tough negotiation but when it was all said and done, I believe it was a win-win for all – the Contractors, the Union, the Building Owners and the Construction Managers. This agreement will allow Local 3 Contractors to now pursue the work that typically would go to others. It provides the tools for us to help recapture the market share lost in previous years."



BOB AMABILE
S.J. Electric, Inc.

"In the new contract, Local 3 has approved certain adjustments that will provide excellent tools for developers who have continued to support union labor. It's a productive change that will have a strong effect on how we increase our work in markets such as affordable housing."



SAL ANELLI
Inner City Electric

"I look at it this way. A successful negotiation is when both parties leave the table unhappy. We both gave up items and we both received benefits. Overall, I think the new business manager will act on his commitment to work collaboratively to restore market share. That's what will make a successful collaboration."



STEVEN LAZZARO
Hellman Electric

"When asked to comment on this past negotiation I am forced to reflect on the enormous commitment of the individual contractors tasked with this project. I can only comment from my own prospective. It was a difficult and rewarding experience that I am happy to have behind me. I look forward to working with Local 3 to help strengthen our industry."

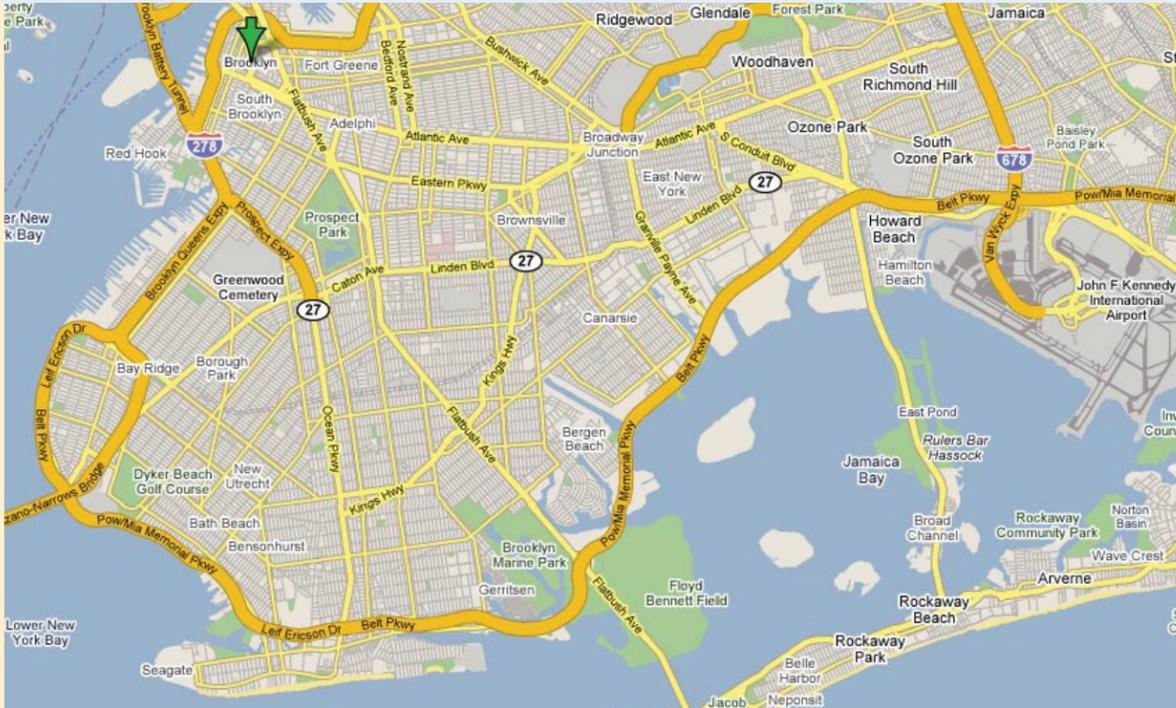


SAM PACE
Zwicker Electric

"The Union wanted pension benefit changes; the contractors wanted material and installation procedure flexibility to increase productivity. Both parties were successful in achieving their goals."

NECA NEW YORK POWERS BROOKLYN CONSTRUCTION

We Are Brooklyn!



Brooklyn is quickly becoming the borough of choice as both public and private construction opportunities arise for NECA New York members in all sectors from renovations to new developments.

One Hanson Place and One Brooklyn Bridge Park are just two of the many market-rate residential projects NECA New York contractors are currently working on, while IKEA and Target are setting the platform for new Brooklyn retail development.

With the Atlantic Yards development on the horizon and countless other projects on the way, development in Brooklyn presents a boundless opportunity for NECA New York contractors.

370 Jay Street

ADCO Electric

301 Greenpoint Avenue

ARC Electrical & Mechanical Contractors

2 Metro Tech

ARC Electrical & Mechanical Contractors

3 Metro Tech

ARC Electrical & Mechanical Contractors

Aviator Sports & Recreation

ATJ Electrical, Inc.

Central Library

ATJ Electrical, Inc.

257 North 6th Street

ATJ Electrical, Inc.

1887 Ralph Avenue

Barbaro Electric Company, Inc.

Methodist Hospital

506 6th Street
B & G Electrical Contractors of New York

1630 East 15th Street

B & G Electrical Contractors of New York

IKEA

1 Beard Street
B & G Electrical Contractors of New York

Target – Flatbush Avenue & Nostrand Avenue

B & G Electrical Contractors of New York

50 Prospect Park West

Commercial Electrical Contractors

Keyspan Greenpoint

Lambry Street

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DANCO Electrical Contractor, Inc.

JH 218 – 370 Fountain Avenue

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161 Varick Street

Five Star Electric

1 Pierpont Place

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Albin Gustafson Company

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H & L Electric Inc.

2 Metro Tech

H & L Electric Inc.

Ward 26

J & R Rey Electric Contractors, Inc.

Sara Dale High School

KATCO Electric

PS 274 Bushwick Avenue

Kanta Electric Corporation

101 Willoughby Street

Kew

Paerdegat Basin

Kleinberg Electric, Inc.

Verrazano Bridge

Kleinberg Electric, Inc.

Hamilton Avenue Bridge

Kleinberg Electric, Inc.

26 Ward – Van Sicklen Avenue

KND Electric

Newtown Creek

301 Greenpoint Avenue

KND Electric

223 Graham Avenue

Levinson & Santoro Electric Co.

IKEA – 1 Beard Street

Linco Electrical Contracting, Inc.

DEP – Knapp Street

Mass Electric Construction Co.

Medical Building

450 Clarkson Avenue

Michael Mazzeo Electric Corporation

21-49 Ralph Avenue

Michael Mazzeo Electric Corporation

MS 293K

2401 Neptune Avenue

Nuñez Electric, Inc.

1 Pierpont Plaza

Petrocelli Electric Co., Inc.

Maimonides Hospital

48-02 10th Avenue

Pomalee Electric Corp.

Methodist Hospital

506 6th Street

Power Optech, LLC

PS 27 – 27 Huntington Street

Pride Electrical Contractors, Inc.

1 Prospect Park

Rigid Electric Inc.

5th Ave North Fork Bank

RMT Electric Corp.

Kings Plaza

RMT Electric Corp.

329 Greenpoint Avenue

Ronsco Electric, Inc.

Ward 26 – Van Sicklen Avenue

Schlesinger Electrical Contractors, Inc.

Macy's – 420 Fulton Street

Shorr Electric Contracting, Inc.

PS 16 Bedford

157 Wilson Street

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911 Flatbush Avenue

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2886 Bedford Avenue

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Downtown Brooklyn Grows

• The City's third-largest business district

• Over \$10 billion worth of planned development, which includes three million square feet of office and retail space

• Downtown Brooklyn has 17 million square feet of office space and 13,000 units of housing planned or in construction

More than trees grow in Brooklyn



One Brooklyn Bridge Park



Verrazano Bridge



One Hanson Place

The New York City Chapter of NECA New York, Westchester and Fairfield counties report a strong work outlook resulting, in part, from projected large developments in downtown White Plains, Ridge Hill in Yonkers as well as from the many new developments in the Stamford, Connecticut area. Overall, NECA New York members serving these areas are engaged in many of these recent large-scale projects.

A college summer helper program has been re-instituted for students for Summer, 2007. The E-2 Continuing Education course for renewal of the Connecticut license will continue to be offered by the Westchester Fairfield Joint Electrical Apprenticeship Training Committee (WFJEATC). The Chapter Office has developed an E-1 Continuing Education Requirement course for contractors that will be offered August 2nd for Connecticut and Rockland County, New York. For information, please call Bruce DeShay at (212) 481-0534.

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INDUSTRY UPDATES

**NECA NEW YORK EDUCATIONAL SEMINARS:
MAKING NEW YORK'S BEST EVEN BRIGHTER**



STEVEN LAZZARO

NECA New York continues its commitment to education by providing two upcoming two-day intensive courses geared towards helping NECA New York members do better business. This builds upon the successes of recent past seminars such as the May 31st course entitled **Developing a Successful Electrical Contracting Team**, which was given a 9.5 out of 10 rating by the 22 attendees. According to Steven Lazzaro, Chair of NECA New York's Education Committee and President of Hellman Electric, "NECA New York members can expect the same level of educational excellence in the upcoming course calendar as we continue to help the country's best electrical contractors become even better."

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ElectricTV.net is a jointly funded creation of the National Electrical Contractors Association (NECA) and the International Brotherhood of Electrical Workers (IBEW). It is a new fast-paced televised magazine show available on the internet through cutting-edge streaming media technology, and available free of charge by viewing or subscribing at www.electrictv.net.

Through up-to-date video and news story segments, all enjoyably hosted by an anchor, these programs illuminate viewers on the modernization of existing infrastructures,

the application of better business practices and strategies to implement important safety measures. Programs also provide a snapshot of where technology is moving the industry by highlighting innovative uses and applications.

ElectricTV allows viewers to see the positive impact that associations such as NECA and IBEW have had in implementing much needed change in industry specific government policy and to gain added insight into the public's ever growing electrical demands.

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**ADVANCED ESTIMATING OF
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Two-day Program:
Tuesday, June 26 & Wednesday, June 27
8:00 AM to 4:00 PM

NECA New York, 44 West 28th Street
12th Floor Conference Room

Instructor: Robert L. Mooty

Recommended pre-requisite: "Basic Estimating of Electrical Construction" or by permission of the instructor

**PROJECT MANAGEMENT FOR
ELECTRICAL CONTRACTORS**

Two-day Program:
Wednesday, August 8 & Thursday, August 9
8:00 AM to 4:00 PM

NECA New York, 44 West 28th Street

Instructor: Jerald L. Rounds, Ph.D., P.E.

News shows, airing every few months, are geared not only toward electrical contractors, but to end users as well. ElectricTV's website is user-friendly and can be viewed easily with stop, start and priority selection options to select the most pertinent features.

Overall, ElectricTV allows us to glance into the exciting possibilities for electrical contracting as the industry lays the foundations for the future. So log on!