

2019 PCCA Contractor Survey Results

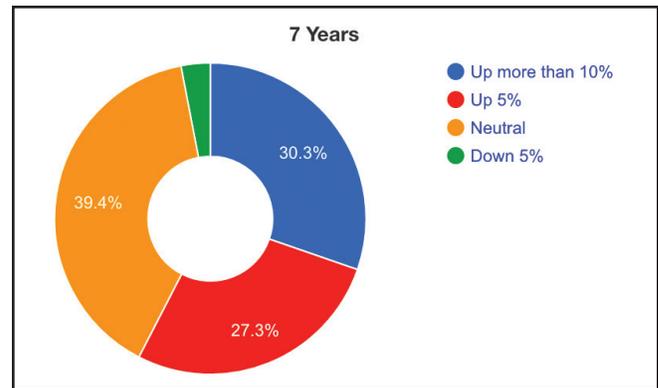
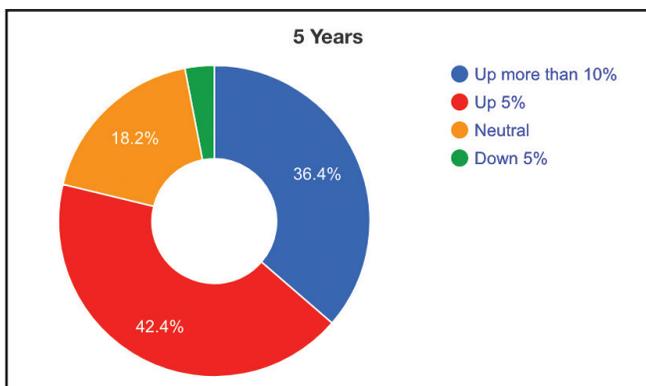
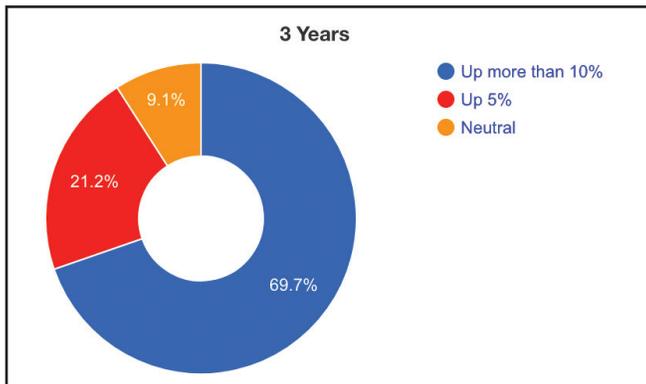
PCCA emailed its 2019 PCCA Contractor Survey on March 5 and emailed a reminder three weeks later. Thirty-three contractor members responded. Following are the survey results.

1. What trend in workload does your company see for the next 3, 5, and 7 years?

- Up more than 10%
- Up 5%
- Neutral
- Down 5%
- Down more than 10%

PCCA contractors remain very optimistic about their workload, especially in the near term. Nearly 91 percent see their workload increasing by more than 5 percent over the next 3 years, with 77 percent of those expecting increases of more than 10 percent. Over the next 5 years, 79 percent expect workload increases of more than 5 percent, with 47 percent of those expecting increases of more than 10 percent. Respondents were less willing to predict increased workloads 7 years out, as 39.4 percent selected “neutral,” though nearly 58 percent expect gains of more than 5 percent.

These results virtually mirror last year’s results, when 93 percent saw their workload increasing by more than 5 percent over the next three years, 77 percent expected workload increases

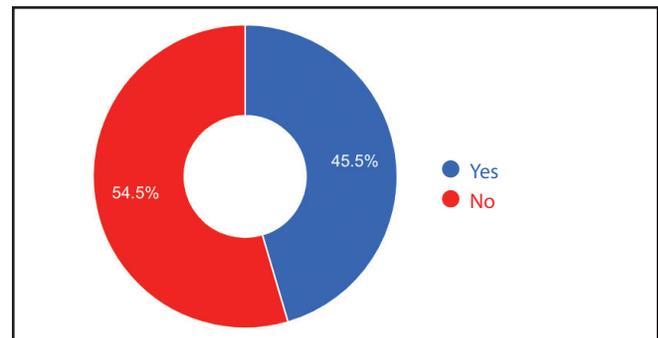


of more than 5 percent over 5 years, and 48.2 percent expected gains of more than 5 percent over 7 years.

2. Do you have any concerns about lead times with any products or services?

- If yes, what products/services, and what do you see as a solution?

Slightly more than 45 percent of respondents have concerns about lead times on products or services, and 58 percent of those mentioned fiber optic cable in their response, while 25 percent mention some type of equipment. One respondent, who had a specific issue with fiber pedestals, offered up a solution, saying, “Owners/Engineers need to be open to alternative solutions (i.e., other manufacturers, vaults, etc.)”

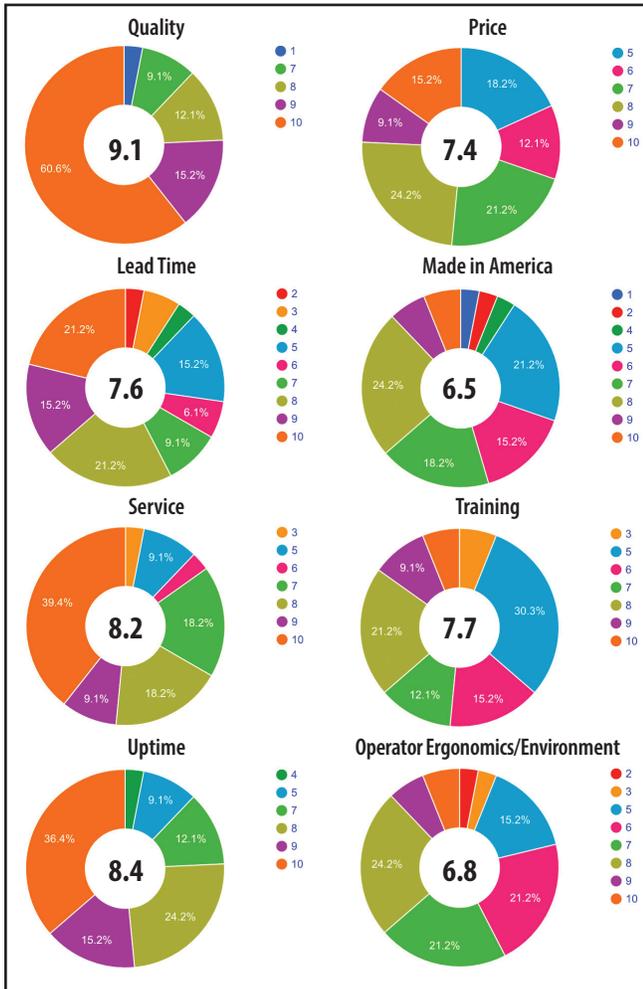


3. On a scale of 1-10, with 1 being least important and 10 being most important, rate the importance of the following when purchasing equipment:

- Price
- Quality
- Lead time
- Made in America
- Service
- Training
- Uptime

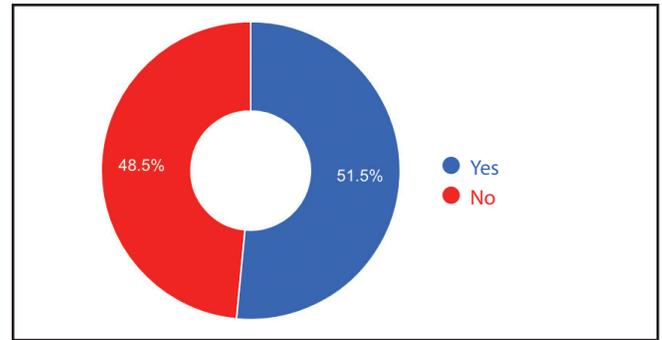
h. Operator ergonomics/environment

When purchasing equipment, contractors said the most important factor was quality (mean: 9.1), followed by uptime (8.4), service (8.2), lead time (7.6), price (7.4), training (7.7), operator ergonomics/environment (6.8), and made in America (6.5). Quality also led last year's survey (mean: 8.7), but service was second (8.4) and uptime was third (8.1).



4. Do you believe aftermarket services will start to become more important in the purchase decision than the products/services themselves in the future? Yes or No

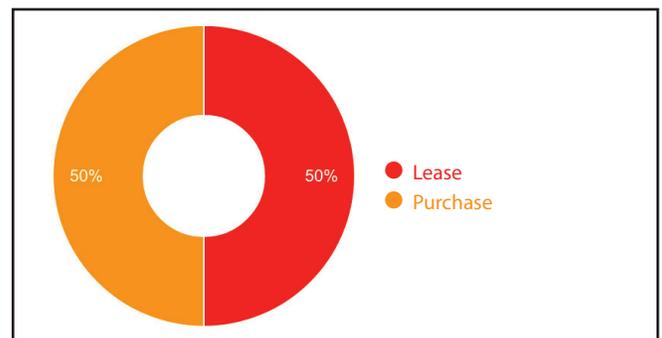
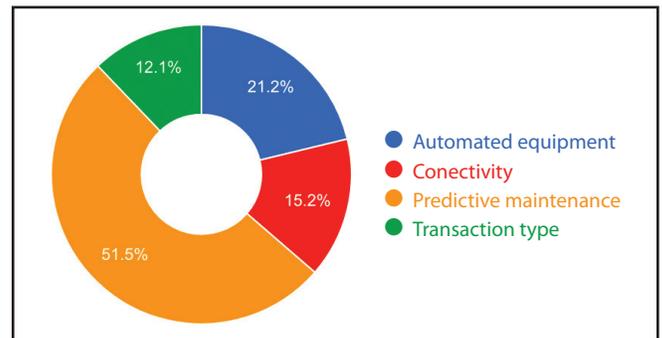
Slightly more than half of responding contractors (51.5 percent) said that in the future aftermarket services will become more important in the purchase decision than the products/services themselves. Last year, 60 percent of respondents said they held that belief.



5. What do you anticipate to be the biggest driver of equipment productivity improvements in the next 5-10 years?

- a. Automated equipment
- b. Connectivity to jobsite management software
- c. Predictive maintenance and remote monitoring
- d. Transaction type (choose one): Rental, Lease, Purchase

More than 51 percent of respondents said that predictive maintenance and remote monitoring will be the biggest driver of equipment productivity improvements in the next 5-10 years, up from 45 percent in last year's survey. The next most frequent responses were automated equipment at 21.2 percent (29 percent last year) and connectivity to jobsite management software at 15.2 percent (14 percent last year).



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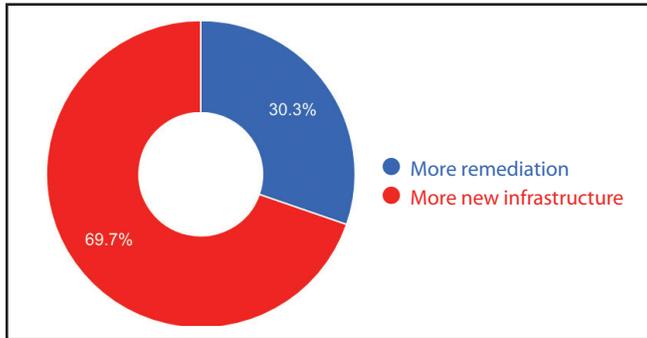
Contractor Survey

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6. Where do you see the trend moving?

- a. More remediation
- b. More new infrastructure

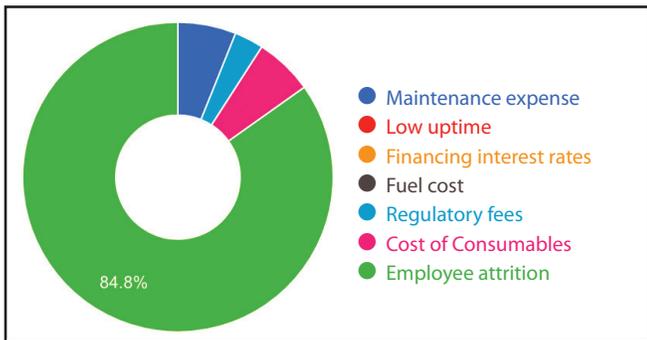
Nearly 70 percent see the trend moving more toward new infrastructure, which is down slightly from last year (73.2 percent).



7. What do you anticipate to be the biggest pressure on your profitability in the future?

- a. Maintenance expense
- b. Low uptime
- c. Financing interest rates
- d. Fuel costs
- e. Regulatory fees
- f. Costs of consumables
- g. Employee attrition

Last year, this question was asked without response g: employee attrition, and this year's responses are vastly different. Nearly 85 percent of respondents selected employee attrition, with just 6.1 percent selecting last year's leader, maintenance expense, and another 6.1 percent selecting costs of consumables.

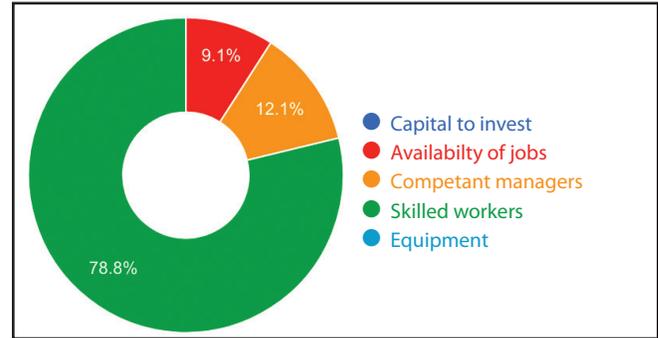


8. What do you see as your biggest inhibitor of growth?

- a. Capital to invest
- b. Availability of approved and funded jobs
- c. Competent managers to lead
- d. Skilled workers to complete the job
- e. Equipment to complete the job

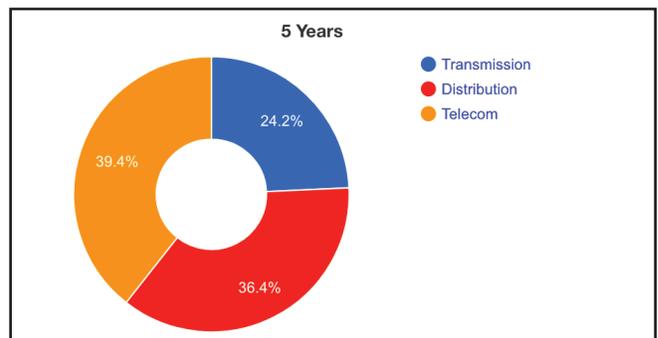
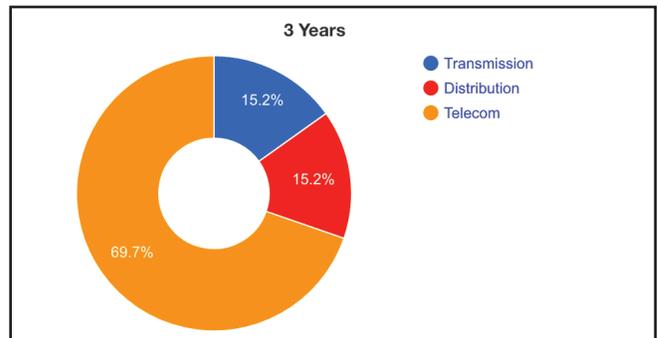
- f. Other (please specify)

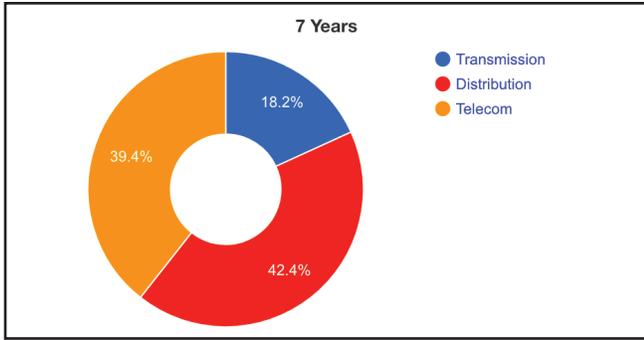
This question is new to the survey this year, and as with the previous question, respondents expressed great concern about their workforce. Nearly 80 percent said that their biggest inhibitor of growth is having enough skilled workers to complete the job, and another 12 percent said it was having enough competent managers to lead their crews.



9. In the next 3, 5, and 7 years, do you see more Transmission, Distribution, or Telecom work in your future?

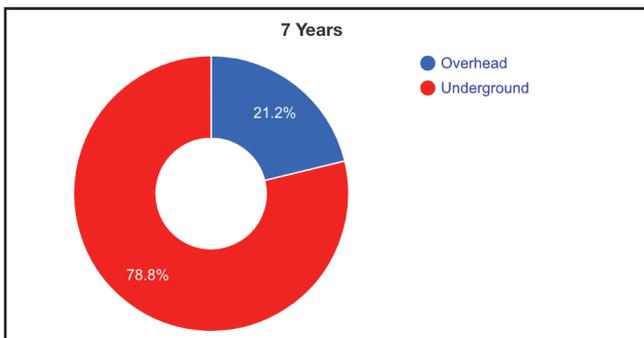
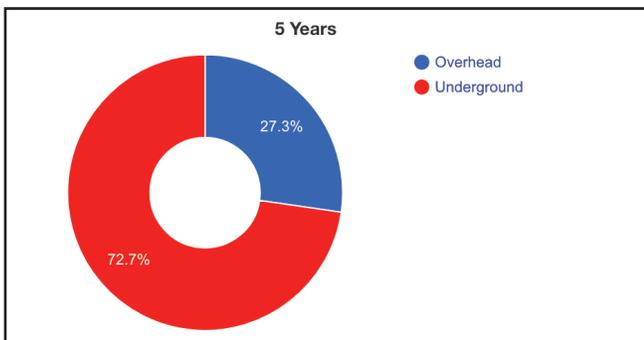
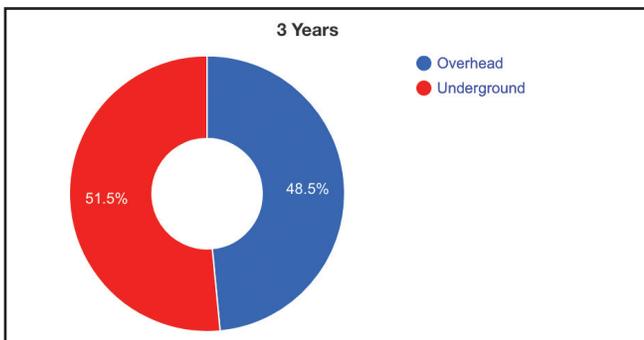
Nearly 70 percent of responding contractors see more Telecom work in the next 3 years when compared with Distribution and Transmission, but only 40 percent picked Telecom in the next 5 and 7 years. They expect Distribution to take up more of their workload going forward, as 15.2 percent said they would see more Distribution work in the next 3 years, 36.4 percent in the next 5 years, and 42.4 percent in the next 7 years. These numbers are quite similar to last year's numbers.





10. Do you see more overhead or underground work in the next 3 years, 5 years, 7 years?

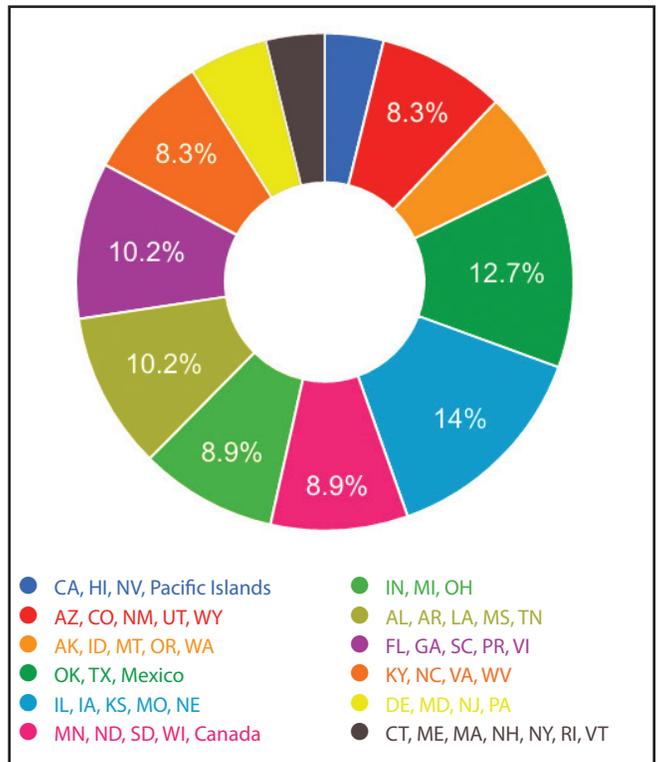
This year's survey shows a greater belief in the increase of underground work, with 51.5 percent expecting more underground work in the next 3 years (virtually unchanged from last year's survey), but 72.7 percent expecting more underground work in the next 5 years (up from 58.9 percent last year) and 78.8 in the next 7 years (62.5 percent last year).



11. Where do you work? (Check all that apply)

- a. CA, HI, NV, Pacific Islands
- b. AZ, CO, NM, UT, WY
- c. AK, ID, MT, OR, WA
- d. OK, TX, Mexico
- e. IL, IA, KS, MO, NE
- f. MN, ND, SD, WI, Canada
- g. IN, MI, OH
- h. AL, AR, LA, MS, TN
- i. FL, GA, SC, PR, VI
- j. KY, NC, VA, WV
- k. DE, MD, NJ, PA
- l. CT, ME, MA, NH, NY, RI, VT

The responses to this question are virtually identical to last year's results. PCCA again received responses from contractors working in every region of the country. (Respondents were instructed to check all of the regions where they work.) And once again, the highest number of responses came from the region that includes Illinois, Iowa, Kansas, Missouri, and Nebraska, and the fewest came from the region with California, Hawaii, Nevada, and the Pacific islands and the region with Delaware, Maryland, New Jersey, and Pennsylvania.



You can view last year's survey results at www.pccaweb.org/100-uncategorized/190-2018-pcca-contractor-survey-results.