

HAWAII BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO  
Gentry Pacific Design Center, Suite 215A  
560 N. Nimitz Highway, #50  
Honolulu, Hawaii 96817  
(808) 524-2249 - FAX (808) 524-6893

February 2, 2008

Honorable Representative Alex Sonson, Chair  
Honorable Representative Bob Nakasone, Vice Chair  
Members of the House Committee on Labor & Public Employment  
Hawaii State Capital  
415 South Beretania Street  
Honolulu, HI 96813

RE: IN SUPPORT OF HB 2975  
RELATING TO PUBLIC WORK PROJECTS  
Hearing: Tuesday, February 5, 2008, 8:30 a.m.

Dear Chair Sonson, Vice Chair Nakasone and the House Committee on Labor & Public Employment:

For the Record my name is Buzz Hong the Executive Director for the Hawaii Building & Construction Trades Council, AFL-CIO. Our Council is comprised of 16-construction unions and a membership of 26,000 statewide.

This Council supports the passage of HB2975, which clarifies that a single violation refers to each separate project where the DLIR finds that a contractor has failed to complete with Chapter 104.

Thank you for the opportunity to submit this testimony in support of HB2975.

Sincerely,

William "Buzz" Hong  
Executive Director

WBH/dg

# **BIA-HAWAII**

**BUILDING INDUSTRY ASSOCIATION**

February 5, 2008

Committee on Labor & Public Employment Hearing

8:30 a.m.

Room 309

## **Testimony OPPOSING HB 2975 “Relating to Public Works Projects”**

Chair Sonson and Members of the Committee on Labor & Public Employment:

I am Karen Nakamura, Chief Executive Officer of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

### **BIA-Hawaii strongly OPPOSES HB 2975 “Relating to Public Works Projects”**

BIA-Hawaii opposes HB 2975 because it is essentially the same bill as HB 853 that was passed by the Legislature and vetoed by the Governor in 2007. HB 853 and now HB 2975 would have treated inadvertent errors that were discovered on three projects in a single investigation as one violation each, rather than counting violations within an investigation as a single violation. HB 2975 would treat a willful attempt not to pay the proper prevailing wages in the same manner as an inadvertent error, resulting in severe consequences. HB 2975 would not help the DLIR with the problem of delays and a backlog of investigations. HB 2975 would debar good contractors as well as the bad ones who were trying to circumvent the law. We ask that this bill be held.

Thank you for the opportunity to share our views with you.

*Karen I. Nakamura*



Randy Perreira  
President

# HAWAII STATE AFL-CIO

320 Ward Avenue, Suite 209 • Honolulu, Hawaii 96814

Telephone: (808) 597-1441  
Fax: (808) 593-2149

The Twenty-Fourth Legislature, State of Hawaii  
Hawaii State House of Representatives  
Committee on Labor and Public Employment

Testimony by  
Hawaii State AFL-CIO  
February 5, 2008

## H.B. 2975 – RELATING TO PUBLIC PUBLIC WORKS PROJECTS

The Hawaii State AFL-CIO supports the purpose and intent of H.B. 2975, which will strengthen the enforcement of Chapter 104, HRS. This statute protects workers employed on projects where the funds required to complete the project come from public revenues of the State or any county, or from the sale of municipal bonds. Every employee who works on a Chapter 104, HRS project must receive a prevailing wage, including benefits. In addition, the Department of Labor and Industrial Relations (DLIR) has administrative and enforcement responsibilities.

H.B. 2975 will ensure that a violation of Chapter 104, HRS occurs with each separate project where the DLIR finds that a contractor fails to comply with the law. Thank you for the opportunity to testify in support of H.B. 2975.

Respectfully submitted,

Randy Perreira  
President

February 4, 2008

**TO: House Committee on Labor & Public Works (Rep. Alex M. Sonson, Chair)**

**FROM: Karl F. Borgstrom, President, on behalf of Associated Builders and Contractors, Hawaii**

**RE: Testimony in Opposition to HB 2975, Relating to Public Works Projects**

Under the current law, a contractor found to be in violation of the prevailing wage law under Chapter 104, Hawaii Revised Statutes as the result of an investigation is considered to have committed one violation, regardless of the number of projects that contractor may be working on and on which the same violation may have occurred.

Prevailing wage rules, which are complicated to administer, may result in a contractor being cited for what is essentially a clerical oversight, being out-of-ratio in apprentices to journeymen, or not having the prevailing wage updates available in a timely fashion. The wording of the proposed legislation does not take into account either the magnitude of the oversight, which might be as little as a few cents an hour, or the number of workforce personnel affected. Thus, what might be an inadvertent administrative error in a central office, if applied to 3 or more projects, would instantly put a contractor out of business and shut down three or more projects, negatively impacting every aspect of a public project's financing, operations, and workforce.

The current law acts, in effect as a warning system, alerting companies that are investigated and found to be in violation of prevailing wage rules that they need to take greater care in their compliance, including ensuring that their records on prevailing wage rates are up to date.

ABC Hawaii and other contracting organizations, and their members, are in agreement that the current law should be enforced to ensure compliance, and that changing the law to multiply a single investigation by the number of projects will seriously damage all of the parties to public construction projects throughout the State of Hawaii.

Thank you for your consideration and this opportunity to provide testimony. Should the need arise, ABC Hawaii will respond to any requests of the Committee for additional information regarding this matter.