



**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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March 24, 2010

To: The Honorable Robert Herkes, Chair
and Members of the House Committee on Labor & Public Employment

Date: March 24, 2010
Time: 2:00 p.m.
Place: Conference Room 325, State Capitol

From: Darwin L.D. Ching, Director
Department of Labor and Industrial Relations

S.B. 2325, S.D. 1 - Relating to Contractors

THE DEPARTMENT OPPOSES THIS MEASURE

With respect to elevator mechanics, currently there are collective bargaining agreements in place that describe the ratio of licensed to unlicensed workers on a given project. These ratios are not strictly one to one as this bill prescribes. The Department prefers that we defer to the industry on this issue.

With regard to the requirement to "visibly display" the license, the department takes no position, other than to require that the licensee be able to produce the license at the time of the inspection. However, if the visible display of the license will aid in compliance with the law for our partner agencies, we would support this requirement.



LINDA LINGLE
GOVERNOR
JAMES R. AIONA, JR.
LT. GOVERNOR

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RONALD BOYER
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RODNEY A. MAILE
DEPUTY DIRECTOR

PRESENTATION OF
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
REGULATED INDUSTRIES COMPLAINTS OFFICE

TO THE HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE

TWENTY-FIFTH STATE LEGISLATURE
REGULAR SESSION, 2010

WEDNESDAY, MARCH 24, 2010
2:00 P.M.

TESTIMONY ON SENATE BILL NO. 2325 S.D.1 H.D.1
RELATING TO CONTRACTORS

TO THE HONORABLE ROBERT N. HERKES, CHAIR,
AND TO THE HONORABLE GLENN WAKAI, VICE CHAIR,
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs' Regulated Industries Complaints Office ("RICO") appreciates the opportunity to testify on Senate Bill No. 2325 S.D.1 H.D.1, Relating To Contractors. My name is Jo Ann Uchida, RICO's Complaints and Enforcement Officer. RICO offers the following comments.

Senate Bill No. 2325 S.D.1 H.D.1 amends §444-9.5, Hawaii Revised Statutes ("HRS"), to require the licensure of at least half of all individuals performing elevator mechanic work on a construction job site, except in any instance where elevator mechanics are subject to a collective bargaining agreement

that contains requirements on the number of licensed elevator mechanics needed to perform licensed work on a construction job site.

The bill also requires that all individuals licensed as electricians, plumbers, and elevator mechanics under Chapter 448E, HRS, or Chapter 448H, HRS, respectively, who are employed on a construction job site, visibly display their Department-issued licenses on their person. Individuals who do not display their licenses at the job site shall not be counted as a licensee for purposes of determining compliance with §444-9.5, HRS.

Senate Bill No. 2325 S.D.1 H.D.1 is similar to House Bill No. 2304 H.D.1 in that both bills require identification on construction job sites.

Senate Bill No. 2325 S.D.1 H.D.1 recognizes and addresses the serious issue of unlicensed activity on construction job sites, and RICO appreciates any and all efforts to provide a clearer statutory basis for determining whether violations have occurred. Frankly, enforcement of this section of the Chapter is challenging, not only because it is difficult to distinguish licensees from unlicensed workers at a site inspection, but also because the worker must be actively engaged in electrical or plumbing work at the time of the inspection.

However, the bill as currently drafted would require RICO investigators to determine 1) whether any of the elevator mechanics on the job site are working subject to a collective bargaining agreement; and 2) whether the collective bargaining agreement contains a provision on the number of licensed elevator mechanics needed to perform work on a job site. Such determinations would be

time-consuming and hinder the ability of RICO investigators to distinguish between licensed and unlicensed workers on a construction job site in as expeditious and unobtrusive a manner as possible.

RICO understands that there are some fundamental differences between the laws that govern plumbers and electricians and the laws that govern elevator mechanics and that it may be unfeasible to treat all of them equally for purposes of §444-9.5, HRS. As such, RICO suggests that the Committee consider not including elevator mechanics in this bill until those discrepancies can be appropriately addressed.

With regard to the language relating on page 2 lines 17 to 20 of the bill that states that licensed individuals not wearing their license would not be counted as a licensee to determine compliance with this section, RICO supports the language as drafted in this bill as opposed to the equivalent language in House Bill No. 2304 H.D.1 at page 2 lines 4 to 6.

Thank you for the opportunity to testify on Senate Bill No. 2325 S.D.1 H.D.1. I will be happy to answer any questions that the members of the Committee may have.

**PRESENTATION OF THE
CONTRACTORS LICENSE BOARD**

**TO THE HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE**

**TWENTY-FIFTH LEGISLATURE
Regular Session of 2010**

**Wednesday, March 24, 2010
2:00 p.m.**

**TESTIMONY ON SENATE BILL NO. 2325, S.D. 1, H.D. 1, RELATING TO
CONTRACTORS.**

**TO THE HONORABLE ROBERT N. HERKES, CHAIR,
AND MEMBERS OF THE COMMITTEE:**

My name is Denny Sadowski, Legislative Committee Chair of the Contractors License Board ("Board"). Thank you for the opportunity to testify on Senate Bill No. 2325, S.D. 1, H.D. 1, which adds elevator mechanics to the requirement that half of all electricians and plumbers on a job site be licensed, and requires electricians, plumbers, and elevator mechanics to visibly display their license or be considered unlicensed.

The Board supports the bill's intent to facilitate the enforcement of the licensing statutes, and defers to the Regulated Industries Complaints Office on how this may be best accomplished.

Thank you for the opportunity to testify on this measure.



International Brotherhood of Electrical Workers

LOCAL UNION NO. 1186 • Affiliated with AFL-CIO

1935 HAU STREET, ROOM 401 • HONOLULU, HI 96819-5003
TELEPHONE (808) 847-5341 • FAX (808) 847-2224

TESTIMONY FOR SB2325 SD1HD1, RELATING TO CONTRACTORS

TO: **HOUSE CONSUMER PROTECTION & COMMERCE COMMITTEE**
For Hearing on Wednesday, March 24, 2010, at 2:00 p.m., in Conference Room 325

RE: **STRONG SUPPORT FOR SB2325 SD1HD1**

Honorable Chair Herkes, Vice Chair Wakai, and Committee members,

The **International Brotherhood of Electrical Workers Local Union 1186** represents over 3,500 members working in electrical construction, telecommunications, and Oceanic Cable. Our members include civil service employees at Pearl Harbor, Kaneohe, Hickam, and at every military installation in Hawaii. IBEW Local 1186 also represents over 120 signatory electrical contractors that perform most of the electrical work in the state of Hawaii.

Due to the unusually dangerous and specialized nature of the skilled electrical and plumbing industries, we are the only three construction crafts (along with elevator mechanics) where state law also requires the individual job site worker to be state tested and licensed. This special job site worker license requirement is on top of the regular state law requiring all construction companies to possess a valid contractor's license.

Requiring the visible display of our tradespersons' skilled license while on the construction job site will protect public safety and decrease liability from illegal construction activity. By helping homeowners, inspectors, and government agencies to readily identify licensed specialty tradespersons on the job site, this bill will help ensure workers and contractors are in compliance with existing state law.

We have worked over the past year with contractor organizations and several state agencies to find practical ways to protect the safety of the public, effectively detect violations, and to facilitate the enforcement and compliance of the state's existing licensing laws. We also support the recommendations of DCCA and the elevator mechanics to delete their industry from the bill at this time to work out some technical issues on their side. Thank you for providing me with the opportunity to testify in strong support for SB2325 SD1HD1.

Mahalo and aloha,

Damien Kim
Business Manager – Financial Secretary
International Brotherhood of
Electrical Workers, Local Union 1186



HAWAII ELECTRICIANS TRAINING FUND

1935 HAU STREET, ROOM 301 • HONOLULU, HAWAII 96819-6003 • PHONE (808) 847-0629 • FAX (808) 843-8818

TESTIMONY SUPPORTING SB2325 SD1, HD 1 (HSCR782-10) RELATING TO CONTRACTORS

TO: HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
(VIA FAX 843-8818)
For Hearing on Wednesday, March 24, 2010, at 2:00 P.M., in Conference Room 325

RE: STRONG SUPPORT FOR SB2325 SD1 HD1

Honorable Chair Herkes, Vice Chair Wakai, and Consumer Protection & Commerce Members,

My name is David Lovelace. I am a Training Coordinator for the Hawaii Electricians Training Fund. We are a non-profit organization that provides substantial training for all our beneficiaries of the International Brotherhood of Electrical Workers Local Union 1186 and, thru contract, others requiring electrical education for the safety and well-being of the industry. Our training involves electrical theory, practical applications, and electrical and construction safety as presented through apprenticeship programs and skilled upgrade training for journeyworkers. We believe in and follow the definition stated in the Department of Labor 29 CFR Part 29 that a:

"Journeyworker means a worker who has attained a level of skill, abilities and competencies recognized within an industry as having mastered the skills and competencies required for the occupation. (Use of the term may also refer to a mentor, technician, specialist or other skilled worker who has documented sufficient skills and knowledge of an occupation, either through formal apprenticeship or through practical on-the-job experience and formal training."

We also believe that in order to obtain "a level of skill, abilities and competencies recognized within an industry" 29 CFR 29.5 B (7) states a needed ratio be accomplished as quoted:
"A numeric ratio of apprentices to journeyworkers consistent with proper supervision, training, safety, and continuity of employment,"

The State of Hawaii has recognized the need to qualify specific tradespersons in their abilities to perform and direct work in a safe and workmanlike manner thereby:

"HRS §448E-9 Unlicensed activity. (a) No person shall act or assume to act as a journey worker electrician, journey worker specialty electrician, supervising electrician, supervising specialty electrician, journey worker plumber, master plumber, maintenance electrician, journey worker industrial electrician, or supervising industrial electrician, or advertise or hold the person's self out as an electrician or plumber, without a license previously obtained in compliance with this chapter and the rules of the board;..."
and also a continuation of the requirement to have a licensed person supervise an apprentice or trainee as stated:



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HRS §448E-9 b) An apprentice or trainee learning the trade of a person licensed under this chapter shall not be required to have a license if the apprentice or trainee acts under the supervision of a person appropriately licensed under this chapter.

Requiring the visible display of the State of Hawaii required license will better promote the protection of public safety and the ability to recognize the needed ratio of apprentices or trainees to better quantify the training necessary in the development of needed competencies for licensed tradespersons in their perspective fields.

Thank you for providing me with the opportunity to testify in strong support for SB2325 SD1HD1.

Thank you,

David Lovelace

Hawaii Electricians Training Fund
Training Coordinator



Testimony from ThyssenKrupp Elevator
Represented by: Landon deVille

House Committee on Consumer Protection and Commerce
Wednesday, March 24, 2:00 p.m., Room 325
SB 2325 SD 1 - Relating to Contractors

Position: Support

Aloha Chair Herkes, Vice Chair Wakai, and members of the Committee,

ThyssenKrupp Elevator supports SB 2325 HD 1 - relating to Contractors, and appreciates the recent amendment by the House Labor Committee to address our industry's concerns. We ask the committee to please pass the bill unamended.

ThyssenKrupp Elevator Company manufactures, installs, modernizes and maintains elevators, escalators, and moving walkways. ThyssenKrupp AG, our parent company, employs over 128,000 people worldwide, manufactures steel, auto components, machine tools, ships, elevators, escalators and hundreds of other products. We are currently the largest elevator service company in North America, and the primary goal of this company "is to become the world's leader" in the people moving (escalators, moving walks, airplane passenger loading bridges) and vertical transportation industry. ThyssenKrupp Elevator employs 71 persons in Hawaii. Our employees work in Oahu, Maui, Lanai, and the Hawaii. ThyssenKrupps' top priority is the safety of the riding public and our own employees, and we only use licensed personnel to work on equipment.

Our collective bargaining agreements ensure that our construction teams operate efficiently, safely and cost-effectively. These teams are comprised of an appropriate number of licensed and highly skilled laborers to perform tasks which require unique knowledge, experience and training and an appropriate number of lesser experienced - but nevertheless suitably trained and qualified - apprentices to perform the variety of menial and minor chores necessary in any construction related project. This bill currently addresses our previous concerns.

We appreciate the opportunity to testify. Mahalo.

Otis Elevator Company
One Farm Springs Road
Farmington, CT 06032
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www.otis.com



Testimony from Otis Elevator Company
Represented by: Kelton Dixon

House Committee on Consumer Protection and Commerce
Wednesday, March 24, 2:00 p.m., Room 325
SB 2325 SD 1 – Relating to Contractors

Position: Support

Aloha Chair Herkes, Vice Chair Wakai, and members of the Committee,

Otis Elevator Company supports SB 2325 HD 1 – relating to Contractors, and appreciates the recent amendment by the House Labor Committee to address our industry's concerns. We ask the committee to please pass the bill unamended.

Otis Elevator Company (Otis) manufactures, installs, modernizes and maintains elevators, escalators, and moving walkways. Otis has been in business for over 150 years and has more than 2.1 million elevators and 130,000 escalators in operation throughout the world. Otis employs 100 persons in Hawaii. Our employees work in Oahu, Kona, Hilo, Kauai and Maui. Otis' top priority is the safety of the riding public and our own employees, and we only use licensed personnel to work on equipment.

Our collective bargaining agreements ensure that our construction teams operate efficiently, safely and cost-effectively. These teams are comprised of an appropriate number of licensed and highly skilled laborers to perform tasks which require unique knowledge, experience and training and an appropriate number of lesser experienced - but nevertheless suitably trained and qualified - apprentices to perform the variety of menial and minor chores necessary in any construction related project. This bill currently addresses our previous concerns.

We appreciate the opportunity to testify. Mahalo.