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**Testimony to the House Committees on Economic Revitalization & Business  
and Labor & Public Employment  
Friday, February 4, 2011  
9:00 a.m. – 12:00 p.m.  
State Capitol - Conference Room 309**

**RE: HOUSE BILL NO. 1077 RELATING TO EMPLOYMENT SECURITY LAW**

Chairs Rhoads and McKelvey, Vice Chairs Yamashita and Choy, and members of the committees:

My name is Jim Tollefson and I am the President and CEO of The Chamber of Commerce of Hawaii ("The Chamber"). I am here to state The Chamber's comments on House Bill No. 1077, relating to Employment Security Law.

The Chamber is the largest business organization in Hawaii, representing more than 1,100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

This measure provides for payment of interest due on Title XII loans from the Employment and Training (E&T) Fund and authorizes the Department of Labor and Industrial Relations director to increase the E&T assessment in increments of .01 per cent retroactive to January 1, 2011.

We ask that the bill be amended to require that any monies in the E&T, which is funded by employers, be used first to pay any interest under the new sub section 7 before any other purpose listed. Also, if Congress waives interest for another year that the money charged will be refunded to the employers.

Thank you for the opportunity to submit testimony.