

The Twenty-Sixth Legislature  
Regular Session of 2011

HOUSE OF REPRESENTATIVES  
Committee on Finance  
Rep. Marcus R. Oshiro, Chair  
Rep. Marilyn B. Lee, Vice Chair

State Capitol, Conference Room 308  
Monday, February 28, 2011; 3:30 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 1434, HD1  
RELATING TO PUBLIC WORK PROJECTS**

The ILWU Local 142 supports H.B. 1434, HD1, which clarifies that up to six single violations of the prevailing wage law refers to each separate project where the Department of Labor and Industrial Relations finds a contractor in violation and allows a violator to use an affirmative defense at appeal that the violation occurred unintentionally.

H.B. 1434, HD1 would correct a flaw in the law that penalizes contractors who violate the law on public works projects only once even if multiple violations involving multiple employees occurs. Bundling all violations into one, then imposing a penalty only for a single violation will not serve as a deterrent to curb such violations in the future by either the contractor in question or any others.

The ILWU urges passage of H.B. 1434, HD1. Thank you for considering our testimony.



Local Union 1260

**International Brotherhood of Electrical Workers**

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**LANCE M. MIYAKE**  
Business Manager-Financial Secretary

**LOREN TAGUCHI**  
President

February 27, 2011

Representative Marcus R. Oshiro  
Chair, House Committee on Finance  
The House of Representatives  
State of Hawaii

Dear Chair Oshiro:

RE: HB 1434, HD 2

IBEW Local 1260 supports and request that the Committee on Labor and Public Employment submit H. B. No. 1434, HD 2 to the House of Representatives for enactment of this bill.

The Local Union, with this testimony, feel that charges filed with other agencies of government are treated individually and not bundled to together. The bill is introduced so companies who violate the prevailing wage law continually will be exposed as repeat offenders and not giving the impression that it is a one-time offense.

Enforcement of violations is expensive and maybe that is why there is the bundling of charges. It is still violations and each charge is significant to those involved. When the number of violations committed is exposed, it is our hope that kind of activity by the companies will cease and the law will prevail.

Although our Union is not directly involved with the prevailing wage law, it is the pursuit of what is right and just for the working class that our Local Union is concerned about.

Sincerely,

Lance M. Miyake  
Business Manager - Financial Secretary



# International Brotherhood of Electrical Workers

LOCAL UNION NO. 1186 • Affiliated with AFL-CIO

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## HB1434 HD1: RELATING TO PUBLIC WORKS PROJECTS

TO: **HOUSE COMMITTEE ON FINANCE** VIA FAX: 586-6001  
For Hearing on Monday, February 28, 2011, at 3:30 p.m., in Conference Room 308

RE: **TESTIMONY TO SUPPORT INTENT AND AMEND HB 1434 HD1**

Honorable Chair Oshiro, Vice Chair Lee, and Finance Committee members,

The **International Brotherhood of Electrical Workers Local Union 1186** represents over 3,200 members working in electrical construction, telecommunications, and with 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 110 signatory electrical contracting companies that perform most of the electrical work in the state.

**We strongly support the original version of HB 1434**, which clarifies that contractors shall be issued a separate state labor Notice of Violation (NOV) for each government construction project where the Department of Labor has found the contractor in violation of the state's Chapter 104 prevailing wage labor laws governing public works projects.

The House Labor Committee was not aware that State law penalizes contractors that rack up three Notices of Violations within a two-year period with debarment, but each of a repeat offender's previous NOV violations lapses from their "three-strike" debarment count after two years. In practice, it has been very difficult for repeat offenders, or any contractor, to accumulate the three strikes in two years needed to be debarred, much less the six strikes proposed in HB1434 HD1.

Since each state prevailing wage labor investigation can take over one to two years, repeat offenders have learned they can stall and take advantage of understaffing, and run the clock out on the two-year window requirement for closing investigations and getting cited for all three-strikes needed for debarment – even after committing multiple prevailing wage offenses of different kinds, over a long period of time and at multiple projects.

We urge the House Finance Committee to protect working people from repeat labor offenders, and protect honest contractors by leveling the playing field and **amending HB 1434 HD1 back to the original version.** Thank you for providing us with this opportunity to submit testimony.

Mahalo and aloha.

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



Randy Perreira  
President

# HAWAII STATE AFL-CIO

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The Twenty-Sixth Legislature, State of Hawaii  
Hawaii State House of Representatives  
Committee on Finance

Testimony by  
Hawaii State AFL-CIO  
February 28, 2011

H.B. 1434, HD1 – RELATING TO PUBLIC  
WORK PROJECTS

The Hawaii State AFL-CIO strongly supports the original language of H.B. 1434 which clarifies that a single violation of the prevailing wage law refers to each separate project where the department of labor and industrial relations finds a contractor in violation.

Currently, contractors that fail to comply with the law and have multiple violations on public work projects are considered to have committed only one violation. H.B. 1434 simply clarifies that when a contractor is found in violation of Chapter 104, Hawaii Revised Statutes by the Department of Labor and Industrial Relations the violations are classified as separate violations and are not able to be bundled as they have under current law.

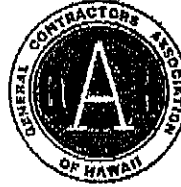
We respectfully request that HB 1434, HD1 be amended back to the original language.

Thank you for the opportunity to testify.

Respectfully submitted,

Randy Perreira  
President

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**GCA of Hawaii**

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

February 28, 2011

TO: THE HONORABLE REPRESENTATIVE MARCUS R. OSHIRO, CHAIR AND  
MEMBERS OF THE HOUSE COMMITTEE ON FINANCE

SUBJECT: H.B. 1434, HD1 RELATING TO PUBLIC WORK PROJECTS.

NOTICE OF HEARING

DATE: Monday, February 28, 2011  
TIME: 3:30 P.M.  
PLACE: Conference Room 308

Dear Chair Oshiro and Members of the Committee,

The General Contractors Association (GCA), an organization comprised of over five hundred and eighty (580) general contractors, subcontractors, and construction related firms, **strongly opposes** the passage of H.B. 1434, HD1.

The GCA agrees that the prevailing wage should always be paid when applicable and no contractor should be allowed to skirt the law. However, the proposed change in the law is unfair to the contractor who has numerous public works jobs going on at the same time. If an employee of that contractor works on three projects and he or she is not paid the correct amount, the contractor has had no notice or opportunity to correct the violation before he may be subject to suspension from doing any new public works projects for a period of three years.

The GCA believes the real problem is the lengthy process for conducting and completing the investigation once the alleged violation has been reported. The GCA supports additional staffing and funding, subject to State budget constraints of course, for the Department of Labor and Industrial Relations to speed up investigations to enforce the prevailing wage provisions already provided in the law.

The GCA **strongly opposes** the passage of H.B. 1434, HD1 and requests that this bill not be passed.

Thank you for considering our concerns on the above measure.



Hawaii Credit Union League

Your Partner For Success

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Testimony to the House Committee on Finance  
Monday, February 28, 2011 at 5:00 p.m.

Testimony in opposition to HB 1411 HD1, Relating to Mortgage Foreclosures

To: The Honorable Marcus Oshiro, Chair  
The Honorable Marilyn Lee, Vice-Chair  
Members of the Committee on Finance

We are Stefanie Sakamoto and Frank Hogan, Esq., and we are testifying on behalf of the Hawaii Credit Union League, the local trade association for 85 Hawaii credit unions, representing approximately 810,000 credit union members across the state.

We are in opposition to HB 1411, Relating to Mortgage Foreclosures. Mainly, this bill would require a form of mandatory mediation (dispute resolution), before any foreclosure action can take place. This bill would be extremely harmful to local lenders in Hawaii. In this difficult economic climate, credit is still extremely tight, as the economy has been slow to recover. This legislation has the ability to harm the mortgage market in Hawaii, which will in turn harm the housing market. Credit unions in Hawaii do everything in their power to keep borrowers in their homes whenever possible, and this is reflected in our small number of foreclosures. Credit unions in total have only 22 foreclosures currently in process, which is an extremely small number.

It is agreed upon between proponents of the bill and lenders that the foreclosure problem in Hawaii was not caused by local lenders. Therefore, it makes sense that we be excluded from this legislation. We are in agreement with the language proposed by the Hawaii Bankers Association and First Hawaiian Bank, which would apply to financial institutions based on asset size. The language is based upon language that already appears in Federal law.

The philosophy of credit unions has always been to "serve the underserved". We ask you to consider the impact this bill will have on our ability to deliver low-cost services to our member base. This bill will raise the cost of loans, and will result in a smaller amount of people who can afford to purchase a home.

Thank you for the opportunity to testify.