



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 Labor & Public Employment

Testimony by
Hawaii State AFL-CIO
February 8, 2011

H.B. 1434 – RELATING TO PUBLIC WORK PROJECTS

The Hawaii State AFL-CIO strongly supports 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.

Thank you for the opportunity to testify.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "RyR", is written over the typed name.

Randy Perreira
President



Local Union 1260

International Brotherhood of Electrical Workers

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LANCE M. MIYAKE
Business Manager-Financial Secretary

LOREN TAGUCHI
President

February 7, 2011

Representative Karl Rhoads
Chair, House Committee on Labor and Public Employment
The House of Representatives
State of Hawaii

Dear Chair Rhoads:

RE: HB 1434

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

The Local Union, with this testimony, feels 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

LMM





International Brotherhood of Electrical Workers

LOCAL UNION NO. 1186 • Affiliated with AFL-CIO

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HB1434: RELATING TO PUBLIC WORKS PROJECTS

TO: **HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT**
For Hearing on Tuesday, February 8, 2011, at 9:00 a.m., in Conference Room 309

RE: **TESTIMONY IN STRONG SUPPORT FOR HB 1434**

Honorable Chair Rhoads, Vice Chair Yamashita, and 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 HB1434, 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 & Industrial Relations has found the contractor in violation of the state's Chapter 104 prevailing wage labor laws governing public works projects.

State law penalizes contractors that rack up three *Notices of Violations* within a two-year period with debarment, but each of the repeat offender's previous NOV violations lapses from their "three-strike" debarment count after two years.

Since state prevailing wage labor investigations can take over one to two years, contractors with repeat offenses who don't cooperate can stall and take advantage of understaffing and avoid the facing the requirements for debarment even after committing multiple prevailing wage offenses over a long period of time and at multiple projects.

We urge the House Labor & Public Employment Committee to protect working people from repeat labor offenders, and protect honest contractors by leveling the playing field and passing HB1434. 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



yamashita2 ----

From: Alfred Lardizabal [lardizabal@local368.org]
Sent: Monday, February 07, 2011 3:02 PM
To: LABtestimony
Subject: TESTIMONY IN SUPPORT OF HB1434 RELATING TO PUBLIC WORKS PROJECTS

February 7, 2011

House Committee On Labor and Public Employment
Tuesday, February 8, 2011
Room 309, 9:00 a.m.
State Capitol

Representative Karl Rhoads, Chair; Representative Kyle T. Yamashita, Vice Chair:

The Hawaii Laborers' Union fully supports HB1434 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.

Thank you for the opportunity to submit this testimony.

Al Lardizabal, Director
Government Relations
Hawaii Laborers' Union



LATE

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

830 PUNCHBOWL STREET, ROOM 321
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February 4, 2011

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

Date: Tuesday, February 8, 2011
Time: 9:00 a.m.
Place: Conference Room 309, State Capitol

From: Dwight Y. Takamine, Director
Department of Labor and Industrial Relations

Re: H.B. No. 1434 Relating to Public Works

I. OVERVIEW OF PROPOSED LEGISLATION

H.B. 1434, amends Chapter 104, Hawaii Revised Statutes ("HRS") by changing the way notices of violations of the prevailing wage law are determined from investigation to project.

This law will take effect upon approval.

II. CURRENT LAW

Currently notices of violation ("NOV") are issued by investigation. Investigations can have several projects and result in a first NOV, although each project violation results in a monetary penalty. After the 3rd NOV the contractor is suspended and not eligible to bid on government contracts for 3 years.

III. HOUSE BILL

The DLIR supports the intent of this measure as effective enforcement although has some reservations concerning the unintended effects:

1. Chapter 104, HRS is a complicated law. Often contractors make an "honest" mistake and they make it on every project they are working on. This "honest" mistake calculated as proposed by this bill would eliminate the contractor from

eligibility to bid on State projects if they made the same mistake on three projects. The penalty structure for NOV's is a 1,2,3 and you're out. Eliminating contractors with a single error on several projects would hurt the State's ability to get competitive bids for construction work.

2. There is already a penalty provision in the law that eliminates "cheaters" from eligibility the first time they are caught. Act 146 was passed in the Regular Session of 2008, now codified in Section 104-25(a)(3), HRS, and suspends contractors who falsify or delay investigations. We have already eliminated one contractor and have 3 pending suspension cases.

LATE



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

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The House of Representatives
The Twenty-Sixth Legislature, State of Hawaii
Committee on Labor & Public Employment

Testimony by
Hawaii Government Employees Association

February 8, 2011

H.B. 1434 – RELATING TO PUBLIC
WORKS PROJECTS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 1434, which seeks to clarify that 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. We believe it is in the public's interest to have such serious violations classified as separate violations and not to be bundled as they have been under current law.

Thank you for the opportunity to testify in support of H.B. 1434.

Respectfully submitted,

Nora A. Nomura
Deputy Executive Director



The Twenty-Sixth Legislature
Regular Session of 2011

LATE

HOUSE OF REPRESENTATIVES
Committee on Labor & Public Employment
Rep. Karl Rhoads, Chair
Rep. Kyle T. Yamashita, Vice Chair

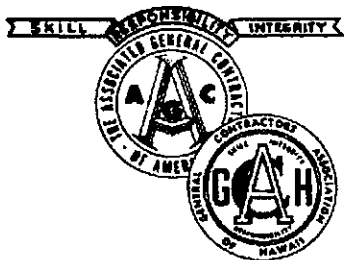
State Capitol, Conference Room 309
Tuesday, February 8, 2011; 9:00 a.m.

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

The ILWU Local 142 supports 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.

H.B. 1434 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. Thank you for considering our testimony.



LATE

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

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February 7, 2011

TO: THE HONORABLE KARL RHOADS, CHAIR AND
MEMBERS OF THE HOUSE COMMITTEE ON LABOR & PUBLIC
EMPLOYMENT

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

NOTICE OF HEARING

DATE: Tuesday, February 08, 2011
TIME: 9:00 a.m. – 12:00 p.m.
PLACE: Conference Room 309

Dear Chair 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.

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 amendment is grossly unfair to the contractor who has numerous public works jobs going on at the same time. In these cases, if a contractor is cited for the same prevailing wage violation for one employee who happens to work on three public works jobs, the contractor has had no notice or opportunity to correct the violation before he is suspended from doing any new work for three years.

The real problem is the lengthy process for conducting and completing the investigation once the alleged violation has been reported. The GCA prefers efforts to provide the necessary enforcement power and staff within the State's responsible budget constraints, of course) for the DLIR to enforce prevailing wages.

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

Thank you for considering our concerns on the above bill.