

**SB 1040**

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**From:** Timlyons@cs.com  
**Sent:** Wednesday, February 23, 2011 1:12 PM  
**To:** WAM Testimony  
**Subject:** SB1040, SD1-Relating to the Hawaii Occupational Safety and Health Law

Hearing 2/25 9:00 am Room 211.

Chair Ige and Member of the Committee:

This bill is not necessary. It increases the maximum penalty amounts for both serious and non-serious violations to some unknown higher amount. The House has suggested a 10% increase or to \$7700 and \$77,000.

As information by HISOH reveals the maximum is not used now. They typically start non serious fines at \$5000 and there were only 9 instances of \$70,000 fines but the actual charged after adjudication was from \$10, 500 to \$70,000. The average penalty per inspection is \$1270 and the average serious penalty is \$1195.

Plus, we know of no study or information which has shown that an increase in the maximum fine from \$70,000 to \$77,000 is a larger deterrent in preventing fines. A \$70,000 fine is extremely hard to recuperate from, except for the largest of businesses and requires a profit of at least 1% on \$7,000,000 worth of gross sales, with no other expenses.

In short, while an increase in fines may be necessary in the future, it certainly does not appear warranted or necessary at this time.

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