

**PRESENTATION OF THE
CONTRACTORS LICENSE BOARD**

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2013

Wednesday, March 27, 2013
4:00 p.m.

**TESTIMONY ON HOUSE CONCURRENT RESOLUTION NO. 85 AND HOUSE
RESOLUTION NO. 67, REQUESTING THE CONTRACTORS LICENSE BOARD TO
PREPARE A REPORT THAT EVALUATES EACH AUTOMATIC SPECIALTY
LICENSE ISSUED TO "A" GENERAL ENGINEERING CONTRACTORS AND "B"
GENERAL BUILDING CONTRACTORS.**

TO THE HONORABLE ANGUS L.K. MCKELVEY, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Peter Lee, and I am the Chair of the Contractors License Board's Legislation Committee. Thank you for the opportunity to comment on House Concurrent Resolution No. 85 and House Resolution No. 67, which requests that the Contractors License Board ("Board") prepare a report evaluating the automatic specialty licenses that are issued to the "A" general engineering and "B" general building contractor.

The Board discussed these resolutions at its meeting on March 22, 2013, and questioned the purpose of these measures. The Board issues licenses in the "A" general engineering contractor, "B" general building contractor, and various "C" specialty contractor classifications. The "A" and "B" contractors are automatically issued several "C" classifications (see attached), and pursuant to the Hawaii Supreme Court's decision in the Okada Trucking Co., Ltd. v. Board of Water Supply, the "A" and

“B” contractors may only perform work in these “C” classifications, or any other “C” classification that it qualified for independent of its “A” or “B” license.

The Board feels that it is reasonable to issue these automatic “C” classifications to the “A” and “B” contractors because that is the only way they are able to perform work under their “A” or “B” license, and these automatic “C” classifications are typically the areas of work that fall under an “A” or “B” project. The Board also feels that the “A” and “B” contractors are qualified to perform work in these areas, as the applicant must document at least four years of experience supervising “A” and “B” projects, and complete licensing examinations on these subject matters.

Thank you for the opportunity to comment on these measures.

Automatic "C" Specialty Classifications

"A" General Engineering Contractor

1. C-3 asphalt paving and surfacing
2. C-9 cesspool
3. C-10 scaffolding
4. C-17 excavating, grading and trenching
5. C-24 building moving and wrecking
6. C-31a cement concrete
7. C-32 ornamental, guardrail, and fencing
8. C-35 pile driving, pile and caisson drilling, and foundation
9. C-37a sewer and drain line
10. C-37b irrigation and lawn sprinkler systems
11. C-38 post tensioning
12. C-43 sewer, sewage disposal, drain, and pipe laying
13. C-49 swimming pool
14. C-56 welding
15. C-57a pumps installation
16. C-57b injection well
17. C-61 solar energy systems

"B" General Building Contractor

1. C-5 cabinet, millwork, and carpentry remodeling and repairs
2. C-6 carpentry framing
3. C-10 scaffolding
4. C-12 drywall
5. C-24 building moving and wrecking
6. C-25 institutional and commercial equipment
7. C-31a cement concrete
8. C-32a wood and vinyl fencing
9. C-42a aluminum and other metal shingles
10. C-42b wood shingles and wood shakes

PLUMBING & MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII



PLUMBING AND MECHANICAL
CONTRACTORS ASSOCIATION
OF HAWAII

TELEPHONE: (808) 597-1216
FAX: (808) 597-1409
1314 S. King Street, Suite 961
Honolulu, Hawaii 96814

GREGG S. SERIKAKU
EXECUTIVE DIRECTOR

March 22, 2013

Representative Angus L.K. McKelvey, Chair
Representative Derek S.K. Kawakami, Vice-Chair
House Committee on Consumer Protection and Commerce
The Twenty-Seventh Legislature, Regular Session of 2013

Chair McKelvey, Vice Chair Kawakami, and Members of the Committee:

SUBJECT: HCR85 Relating to Contractors

My name is Gregg Serikaku, Executive Director of the Plumbing and Mechanical Contractors Association of Hawaii, and we represent plumbing, air conditioning, refrigeration, and fire sprinkler contractors in Hawaii, and are the management representatives for the largest certified training programs for each of these trades.

The Association for which I speak supports HCR85.

Evaluation of automatic specialty licenses:

Currently an "A" general engineering contractor is automatically granted 17 additional specialty contractor licenses, and a "B" general building contractor is automatically granted 10 additional specialty contractor licenses, regardless of whether the "A" or "B" contractor has shown experience in performing work in each specialty category. Therefore, simply by virtue of having an "A" or "B" contractors license, the licensee is able to contract and perform work involving specialized trades such as solar energy systems, swimming pools, welding, pump installation, etc., even though they may have never performed work of this nature before. This creates a potential problem for unsuspecting consumers and is not consistent with the Legislature's primary intent in creating Hawaii's contractor licensing law, HRS444, which was to protect the public's health, safety, and general welfare, in dealing with persons engaged in the construction industry, and to provide an effective protection against incompetent, inexperienced, unlawful and unfair practices of contractors.

Further, pursuant to Section 16-77-18, Hawaii Administrative Rules (HAR), every individual applicant or RME for a contractors license shall have not less than four years of supervisory experience as a contractor in the particular classification in which the applicant intends to engage. The Contractors Licensing Board has prudently maintained that this experience should not be obtained concurrently and that if an applicant wants to apply for more than one specialty contractor license, that individual must show 4 years of separate experience in each of the classifications. Why then, is the "A" and "B" general contractor allowed to gain the requisite experience of 17 and 10 specialty trades over a single four year period? This surely does not make sense and is something that should be reviewed by the Contractors Licensing Board.

Clarification of the C-5 specialty license:

The scope language of the C-5 Cabinet, Millwork, and Carpentry Remodeling and Repairs classification, presents a serious concern among specialty contractors because it may be mistakenly interpreted to allow a C-5 contractor to perform a much broader spectrum of work than what was intended.

This classification was originally created as a way to allow a contractor to perform non-structural renovations and repairs on small scale and residential one and two family dwellings which included the work that was incidental and supplemental to the carpentry remodel and repair work. Recently however, we have seen instances of C-5 contractors performing work on larger public works projects, and also performing significant volumes of work outside of their license scope simply because they considered the work incidental to the remodel project. We believe that the Contractors Licensing Board should review the scope language of the C-5 classification and clarify the scale of projects allowed, and that the incidental and supplemental work only applies to the cabinet, millwork and carpentry remodel work on the project.

For these reasons we strongly support the intent of HCR85.

Thank you for this opportunity to testify.

Respectfully yours,

A handwritten signature in cursive script, appearing to read "Gregg S. Serikaku".

Gregg S. Serikaku
Executive Director

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

"Building Better Communities"

2013 Officers

President

Greg Thielen
Complete Construction Services Corp.

President-Elect

Brian Adachi
BKA Builders, Inc.

Vice President

Sunny Walsh
Hunt Building Company, Ltd.

Treasurer

Guy J. Shindo
First Hawaiian Bank

Secretary

Richard Hobson, Jr.
Gentry Homes, Ltd.

Special Appointee-Builder

Paul D. Silen
Hawaiian Dredging Construction Co., Inc.

Special Appointee-Associate

Craig Washofsky
Servco Home & Appliance Distribution

Immediate Past President

Dean I. Asahina
Universal Construction, Inc.

Chief Executive Officer

Karen T. Nakamura
BIA-Hawaii

2013 Directors

Anthony Borge

RMA Sales

Clifton Crawford

C&J Contracting, Inc.

David S. Chang

Chang Holding Company

Dean Uchida

SSFM International, Inc.

Evan Fujimoto

Graham Builders, Inc.

Gary T. Okimoto

Honolulu Wood Treating

Mark Kennedy

HASEKO Construction Kamakana, LLC

Marshall Hickox

Homeworks Construction, Inc.

Michael Watanabe

JW, Inc.

Ryan Engle

Bays Lung Rose & Holma

Scotty Anderson

Pacific Rim Partners

W. Bruce Barrett

Castle & Cooke Homes Hawaii, Inc.

Testimony to the House Committee on Consumer Protection & Commerce Wednesday, March 27, 2013

4:00 p.m.

Capitol, Room 325

RE: HCR 85/HR 67 REQUESTING THE CONTRACTORS LICENSE BOARD TO PREPARE A REPORT THAT EVALUATES EACH AUTOMATIC SPECIALTY LICENSE ISSUED TO "A" GENERAL ENGINEERING CONTRACTORS AND "B" GENERAL BUILDING CONTRACTORS.

Dear Chair McKelvey, Vice Chair Kawakami, and members of the Committee:

My name is Gladys Marrone, Director of Government Relations for the Building Industry Association of Hawaii (BIA-Hawaii), the voice of the construction industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, affiliated with the National Association of Home Builders.

BIA-Hawaii offers comments on HCR 85/HR/67, which requests the contractors license board to prepare a report that evaluates each automatic specialty license issued to "A" general engineering contractors and "B" general building contractors.

While we defer to the contractors license board with regards to their expertise in determining and applying licensing requirements and criteria, we strongly recommend that a comprehensive review of all licenses under Chapter 444 be conducted, not just limited to "A" and "B" licenses. Including all licenses will ensure a fairer evaluation.

Thank you for the opportunity to express our views.

1065 Ahua Street
Honolulu, HI 96819
Phone: 808-833-1681 FAX: 839-4167
Email: info@gcawhawaii.org
Website: www.gcawhawaii.org



GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

March 27, 2013

TO: HONORABLE ANGUS MCKELVEY, CHAIR; HONORABLE DEREK KAWAKAMI, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON CONSUMER PROTECTIO AND COMMERCE

SUBJECT: **COMMENTS & SUGGESTED AMENDMENTS TO HCR 85/HR 67**
REQUESTING THE CONTRACTORS LICENSE BOARD TO PREPARE A REPORT THAT EVALUATES EACH AUTOMATIC SPECIALTY LICENSE ISSUED TO "A" GENERAL ENGINEERING CONTRACTORS AND "B" GENERAL BUILDING CONTRACTORS.

HEARING

DATE: Wednesday, March 27, 2013
TIME: 4:00 p.m.
PLACE: Conference Room 325

Dear Chair Rosalyn Baker, Vice Chair Brickwood Galuteria and Members of the Committee:

The General Contractors Association (GCA) is an organization comprised of over six hundred (600) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii.

GCA submits comments and **requests amendments** to HCR 85/SR 67 to include a review of all classifications of licensing under Chapter 444, Hawaii Revised Statutes, including all "C" licenses that have automatic licenses. GCA's requested amendments propose to neutralize the Resolution to include a review of all licensing classifications.

HCR 85/SR 67 proposes to require the Contractors License Board to prepare a report that evaluates each automatic specialty license issued to the "A" General Engineering Contractors and "B" General Building Contractors. These Resolutions are a result of H.B. 78, which proposed to amend Section 444-8, Hawaii Revised Statutes (HRS) and eliminate the issuance of select automatic "C" specialty licenses to licensed "A" general engineering contractor and the licensed "B" general building contractor. With respect to the "A" and "B" licenses – areas in which automatic "C" licenses are granted, applicants for licenses are tested in areas that automatic "C" licenses are granted.

GCA would respectfully request that HCR 85/SR67 be amended to include references to all automatic “C” licenses, and that the following amendments be adopted:

- Include the review of all “C” licenses – and not only “A” and “B” licenses;
- DELETE from BE IT FURTHER RESOLVED CLAUSE: [~~(2) A specific evaluation of the definition of a C-5 contractor, including whether this definition is too broad, whether this definition includes an appropriate balance between the work that is performed and the experience necessary for a license, and a determination of whether this definition should be modified;~~];
- ADD TO BE IT FURTHER RESOLVED CLAUSE: (6) Determine whether administrative rules governing contractors reflect the intent of the Legislature, particularly as to the scope of work for the three contractor classifications, in order to eliminate construction trade disputes.

Earlier this session, GCA opposed S.B. 347 because (1) no known problems with the current licensing of “A” and “B” general contractors were known; and (2) the Contractor’s License Board (Board) licensing procedure properly qualifies applicants for “A” or “B” licenses by meeting a number of requirements, including, but not limited to, passage of an examination, at least 4 years in a supervisory position or a contractor in the particular classification being applied to, credit reports and financial statements, tax clearances, worker’s compensation insurance, bonding requirements, and approval by the Board.

GCA believes that all “C” licenses should also be included in the review by the Contractor’s License Board in order to further eliminate any claims that licensees may be unqualified to meet such criteria. Thus, GCA respectfully requests that these amendments be considered.

IRONWORKERS STABILIZATION FUND

March 25, 2013

Angus McKelvey, Chair
Committee on Consumer Protection and Commerce
State House
State Capitol
415 S. Beretania Street
Honolulu, Hawaii 96813

Date: March 27, 2013
Time: 4:00 p.m.
Place: Conference Room 325, State Capitol

Dear Honorable Chair McKelvey and Members of the Committee Consumer Protection and Commerce:

Re: Strong Support for HCR85/HR67– Requesting the Contractors License Board Evaluate Automatic Specialty License to General Contractors

We are in strong support for HCR 85/HR 67 requesting the Contractors License Board to prepare a report that evaluates each automatic specialty license issued to “A” General Engineering Contractors and “B” General Building Contractors.

The purpose of these resolutions is to protect the general public from General Contractors that are not qualified to hold and to do specialty work. The Hawaii Administrative Rules clearly states that individuals obtaining Specialty License must have “...not less than four years of supervisory experience as a foreman, supervising employee, or contractor in the particular classification in which the applicant intends to engage as a contractor.” As such, we believe that if the Specialty Contractors must have these standards for public safety, it is only fair and reasonable everyone should also meet the same qualifications.

We strongly support this measure for the working men and women of Hawaii. Thank you for your time and consideration.

Sincerely,

Arnold Wong /s/

IRON WORKERS STABILIZATION FUND

Res No. 2013-0001

May 24, 2013

ATTN: Mel

671-4200

August L. M. Keeloy, Chair
Consumer Protection and Commerce Committee
Room 110 - State Capitol
Honolulu, HI 96813

Re: **RESOLUTION - Requesting the Contractors License Board to Prepare a Report that Evaluates each Automatic Specialty License Issued to "A" General Engineering Contractors and "B" General Building Contractors**
Effective Date: March 17, 2013 - 4:00 pm
Conference Room 106

Chair McKeeloy and Committee Members:

We are in full accord with this resolution - "Requesting the Contractors License Board to prepare a report that evaluates each automatic specialty license issued to "A" General engineering contractors and "B" general building contractors." We would go one step further to include an evaluation of every "C" specialty license.

A part of the ARTICLES clauses provides, "A" and "B" contractors are automatically granted a total of 17 "C" specialty licenses without being required to pass examinations and have the requisite number of years of supervisory experience that specialty licensees are required to pass and possess. In addition, these "A" and "B" contractors are not required to pay the applicable license fees of the specialties.

Section 444-4 Powers and duties of Board reads: In addition to any other powers and duties authorized by law, the board shall:

- (2) Adopt, amend or repeal such rules as the board may deem proper fully to effectuate this chapter and carry out the purpose thereof, which is the protection of the general public.

It should go without saying that the Contractors License Board should be ever mindful of this HPB provision which makes it abundantly clear that the purpose of HRS 444-4 is to protect the general public. With this admonition in mind, we again go on record to support this resolution.

Respectfully submitted,

Iron Workers Stabilization Fund
PO Box 100000
Honolulu, Hawaii 96701





ROOFING CONTRACTORS ASSOCIATION OF HAWAII

Century Square-1188 Bishop St., Ste. 1003 Honolulu, HI 96813-3304

Phone (808) 537-1224*Fax: (808) 533-2739

March 27, 2013

Testimony To: House Committee on Consumer Protection & Commerce
Representative Angus L.K. McKelvey, Chair

Presented By: Bernadette Robins
President

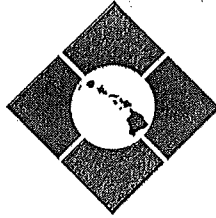
Subject: HCR 85/HR 67 - REQUESTING THE CONTRACTORS LICENSE BOARD TO
PREPARE A REPORT THAT EVALUATES EACH AUTOMATIC SPECIALTY LICENSE
ISSUED TO "A" GENERAL ENGINEERING CONTRACTOR AND "B" GENERAL
BUILDING CONTRACTORS.

Chair McKelvey and Members of the Committee:

I am Bernadette Robins President of the Roofing Contractors Association of Hawaii and we support this Resolution.

We support this Resolution because two (2) of the automatic licenses that are provided to General "B" contractors are the C-42a Aluminum Shake and Shingle and the C-42b Wood Shake and Shingle. We see absolutely no rationale for general contractors to receive these two (2) sub-category licenses. In fact, it is our understanding that both of these were granted many, many years ago when roofing contractors didn't install much by way of metal roofing and general contractors had carpenters install wood, shake and shingle roofs. That is hardly the case these days. In other words, we think that the law is outmoded and it needs to be reevaluated and updated.

Based on the above, we support this Resolution and respectfully request your favorable consideration.



TILE CONTRACTORS

ASSOCIATION OF HAWAII

1440 Kapiolani Blvd., Suite 800, Honolulu, Hawaii 96814

Phone: Oahu (808) 441-8600; Fax: (808) 441-8750

www.tilehawaii.com; e-mail: tileinfo@tilehawaii.com

March 27, 2013

Testimony To: House Committee on Consumer Protection & Commerce
Representative Angus L.K. McKelvey, Chair

Presented By: Roy Uyesuji
President

Subject: HCR 85/HR 67 - REQUESTING THE CONTRACTORS LICENSE BOARD TO
PREPARE A REPORT THAT EVALUATES EACH AUTOMATIC SPECIALTY LICENSE
ISSUED TO "A" GENERAL ENGINEERING CONTRACTOR AND "B" GENERAL
BUILDING CONTRACTORS.

Chair McKelvey and Members of the Committee:

I am Roy Uyesuji President of the Tile Contractors Association of Hawaii and we are in support of this Resolution.

This Resolution speaks about taking a look at the C5 designation. We have had many reports from our members about general contractors doing tile work, in some cases, in a substandard manner. The contractors license is there to protect the consumer. Perhaps these were isolated cases. Our members can perform this work only after they have demonstrated four (4) years of supervisory experience in installing tile while the general contractor is only showing four (4) years of supervisory experience overall. If it is justified then this practice should continue. If not, then perhaps the legislature should take a look at it.

The essence of this Resolution is to request an examination of that practice and based on that, we support this Resolution.

Thank you.



Century Square 1188 Bishop Street, Ste. 1003
Honolulu, Hawaii 96813-3304
Phone (808) 537-1224 Fax (808) 533-2739
timlyons@hawaiiantel.net

March 27, 2013

Testimony To: House Committee on Consumer Protection & Commerce
Representative Angus L.K. McKelvey, Chair

Presented By: Kaleo Nakamura
President

Subject: HCR 85/HR 67 - REQUESTING THE CONTRACTORS LICENSE BOARD
TO PREPARE A REPORT THAT EVALUATES EACH AUTOMATIC
SPECIALTY LICENSE ISSUED TO "A" GENERAL ENGINEERING
CONTRACTOR AND "B" GENERAL BUILDING CONTRACTORS.

Chair McKelvey and Members of the Committee:

I am Kaleo Nakamura, President of the Hawaii Flooring Association and we support this Resolution.

We are particularly interested in the results of an examination of the C5 category inasmuch as we think that it is quite feasible, based on the other rulings made by the Board, that they would also rule that floorcovering could be installed by a general contractor even though they did not hold that specific category of license. This is beyond the intent of what we believe the C5 license was intended for inasmuch as it should be centered around those things that a general contractor might need to do in the area of carpentry however, NOT in the area of carpet.

Based on that and as well as the fact that it has been many, many years since the Board's classifications were evaluated, we support this resolution and respectfully request your favorable adoption.



**PACIFIC INSULATION
CONTRACTORS ASSOCIATION**

**Century Square
1188 Bishop St. Ste. 1003
Honolulu, HI 96813-3304
Phone: (808) 537-5619
Fax: (808) 533-2739**

March 27, 2013

Testimony To: House Committee on Consumer Protection & Commerce
Representative Angus L.K. McKelvey, Chair

Presented By: Ron Labanon
President

Subject: HCR 85/HR 67 - REQUESTING THE CONTRACTORS LICENSE BOARD TO
PREPARE A REPORT THAT EVALUATES EACH AUTOMATIC
SPECIALTY LICENSE ISSUED TO "A" GENERAL ENGINEERING
CONTRACTOR AND "B" GENERAL BUILDING CONTRACTORS.

Chair McKelvey and Members of the Committee:

I am Ron Labanon, President of the Pacific Insulation Contractors Association and we support this Resolution. We think it has been an extremely long time since the regulatory scheme for contractors was looked at. Certainly during the last forty (40) years things have changed including construction techniques, trade practices and scope of work.

Because of that we feel that it is an opportune time to have the Board reexamine the areas for which automatic licensure are provided to be sure that they encompass the current practices of today's world. It would appear that this examination would be both timely and an inexpensive chore to complete and would certainly serve the purpose of reassuring all licensed contractors that their scope of licensure is correctly applied.

Based on the above, we recommend passage of this Resolution.

SAH - Subcontractors Association of Hawaii

1188 Bishop St., Ste. 1003**Honolulu, Hawaii 96813-2938

Phone: (808) 537-5619 ✦ Fax: (808) 533-2739

March 27, 2013

Testimony To: House Committee on Consumer Protection & Commerce
Representative Angus L.K. McKelvey, Chair

Presented By: Tim Lyons
President

Subject: HCR 84/HR 67 - REQUESTING THE CONTRACTORS LICENSE BOARD TO
PREPARE A REPORT THAT EVALUATES EACH AUTOMATIC SPECIALTY LICENSE
ISSUED TO "A" GENERAL ENGINEERING CONTRACTOR AND "B" GENERAL
BUILDING CONTRACTORS.

Chair McKelvey and Members of the Committee:

I am Tim Lyons, President of the Subcontractors Association of Hawaii. The SAH represents the following nine (9) separate and distinct construction industry trade associations:

HAWAII FLOORING ASSOCIATION
ROOFING CONTRACTORS ASSOCIATION OF HAWAII
HAWAII WALL AND CEILING INDUSTRIES ASSOCIATION
TILE CONTRACTORS PROMOTIONAL PROGRAM
PLUMBING AND MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII
SHEETMETAL CONTRACTORS ASSOCIATION OF HAWAII
PAINTING AND DECORATING CONTRACTORS ASSOCIATION
PACIFIC INSULATION CONTRACTORS ASSOCIATION
ELECTRICAL CONTRACTORS ASSOCIATION OF HAWAII

We support this Resolution.

As the Committee is aware, when bills on this subject matter were heard there was a great deal of conflicting testimony. It is the purpose of this Resolution to look further into the situation by requesting the Contractors License Board to reevaluate the necessity and the propriety of granting General "A" contractors seventeen (17) different, separate, sub-specialty licenses without testing or exam and ten (10) separate and distinct specialty licenses for general "B" contractors.

It would appear to us that since most of these were granted when statehood was obtained the methodologies and the practices of general contractors as well as the construction industry has changed. In theory, the general contractors were provided these sub-specialty licenses because it was part of their routine and daily activities however, as this Committee is aware, a "B" general contractor could be an individual company that specializes in remodeling homes or it could be a enterprise that builds a thirty-five (35) story condominium. In either case, the license is the same and both are granted the same sub-specialty licenses automatically.

At the hearing on these bills opponents testified that the law was working wonderfully and if that is the case, there is nothing to fear from looking into the justification for providing these specialty licenses on an automatic basis. Nothing may come of this report provided from the Contractors License Board however, we think that in itself will be an achievement and provide some assurance to legislators and the rest of the industry that the law is working wonderfully.

Based on the above we respectfully request your support.

The House of Representatives
The Twenty-Seventh Legislature
Committee on Consumer Protection and Commerce
March 27, 2013, 4:00 p.m.
Room 325

Statement of the Hawaii Regional Council of Carpenters
On HCR 85/ HR 67 Requesting a Report on Specialty Licenses

The Hawaii Regional Council of Carpenters does not see a reason for the Resolution(s):

- The Resolutions should not be passed with no clear reason.
- If expending scarce State staff resources on a report is ultimately desired, it should cover the issuance of all “automatic” specialty licenses, rather than the limited scope of the Resolutions.

“Why?” In discussion around a related Bill that has not advanced, no clear reason emerged for a report on a system that has worked. No concrete problems have been substantiated.

The limited focus on conditions for General Contractors (generally), raises the question of whether there is a goal to hamper competition in the construction industry. General Contractors may choose to subcontract various types of work, or offer the competitive alternative of performing certain work within their overhead, mobilization, workforce, profit, etc.

Thank you for considering our evaluation of HCR 85 and SR 67.



Testimony of Cindy McMillan
The Pacific Resource Partnership

House Committee on Consumer Protection & Commerce
Representative Angus L.K. McKelvey, Chair
Representative Derek S.K. Kawakami, Vice Chair

HCR 85/HR 67 – REQUESTING THE CONTRACTORS LICENSE BOARD TO PREPARE A
REPORT THAT EVALUATES EACH AUTOMATIC SPECIALTY LICENSE ISSUED TO "A"
GENERAL ENGINEERING CONTRACTORS AND "B" GENERAL BUILDING CONTRACTORS.

March 27, 2013
4:00 pm
Conference Room 325

Aloha Chair McKelvey, Vice Chair Kawakami, and members of the Committee:

The Pacific Resource Partnership (PRP) is a labor-management consortium representing over 240 signatory contractors and the Hawaii Regional Council of Carpenters.

HCR 85/HR 67 proposes to require the Contractors License Board (CLB) to prepare a report that evaluates each automatic specialty license issued to the "A" General Engineering Contractors and "B" General Building Contractors.

PRP believes that any review of license classifications should include "A", "B" and "C" licenses and evaluate the automatic specialty licenses issued under each in order to adequately address potential amendments to Chapter 444, Hawaii Revised Statutes and administrative rules. To this end, we support and request your favorable consideration of the proposed amendments submitted by the General Contractors Association of Hawaii.

Thank you for the opportunity to present our views on these Resolutions.



LABORERS' INTERNATIONAL UNION OF NORTH AMERICA LOCAL 368



PETER A. GANABAN
Business Manager
Secretary-Treasurer

ALFONSO OLIVER
President

JOBY NORTH II
Vice President

TONI FIGUEROA
Recording Secretary

THOMAS CATHCART
Executive Board

JAMES DRUMGOLD JR.
Executive Board

LEIMOMI JOHNSON
Executive Board

MARK MAGUSARA
Auditor

MARK TRAVALINO
Auditor

JOSEPH YAW
Auditor

LEUMA L. LEATUMAUGA
Sergeant-At-Arms

Testimony by Peter Ganaban, Business Manager, Secretary/Treasurer

Hawaii Laborers' Union Local 368

With Comments and Recommended Amendments to HCR85/HR67

REQUESTING THE CONTRACTORS LICENSE BOARD TO PREPARE A REPORT
THAT EVALUATES EACH AUTOMATIC SPECIALTY LICENSE ISSUED TO 'A'
GENERAL ENGINEERING CONTRACTORS AND 'B' GENERAL BUILDING
CONTRACTORS

To the Senate Committee on Consumer Protection and Commerce

Wednesday, March 27, 2013

4:00 p.m., Rm. 325

Chair McKelvey; Vice Chair Kawakami and Members of the Committee on
Consumer Protection and Commerce:

The Hawaii Laborers' Union is a member of the Hawaii Construction Alliance consisting of the larger construction trades. We share many common issues with the General Contractors Association, the Hawaii Labor and Employers Cooperative Education Trust, the Building Industry Association, the HCA, the Hawaii Building Trades Council, and others to ensure that the Hawaii construction industry is viable, healthy and productive for all contractors and subcontractors resulting in greater

employment for Hawaii workers and ensure that the public and government customers have quality products.

We request that the resolutions include a review of ALL CLASSIFICATIONS of LICENSING, including "A," "B," and "C" licenses, which would include any automatic licenses issued under each classification. The current language of the resolution is biased against "A" and "B" general contractors. There should not be a review of only one segment of the industry but all should be reviewed if public safety and consumer protection is the goal. We also request that "C" licenses be included in the study.

Thank you very much for the opportunity to submit this testimony.

Hawai'i Construction Alliance

P.O. Box 179441
Honolulu, HI 96817
(808) 348-8885

March 26, 2013

The Honorable Angus McKelvey, Chair
The Honorable Derek Kawakami, Vice Chair
and members
Committee on Consumer Protection and Commerce
Hawai'i State House of Representatives
415 South Beretania Street
Honolulu, Hawai'i 96813

RE: Comments on HCR85/HR67, requesting amendments to include review of "C" licenses

Dear Chair McKelvey, Vice Chair Kawakami, and members of the committee:

The Hawaii Construction Alliance would like to offer the following comments on HCR85/HR67.

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Hawai'i Masons Union, Local 1 and Local 630; the Laborers' International Union of North America, Local 368; and the Operating Engineers, Local 3. Together, the four member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the four basic crafts of Hawai'i's construction industry.

HCR85/HR67 proposes to require the Contractors License Board to prepare a report that evaluates each automatic specialty license issued to the "A" General Engineering Contractors and "B" General Building Contractors. By solely focusing on "A" and "B" licenses, we believe the resolution is biased against the "A" and "B" general contractors who employ our members. Therefore, we request that all "C" licenses be included in the CLB study.

We support the amendments being proposed by the General Contractors Association of Hawaii to HCR85/HR67. Under the proposed amendments, all classifications of licensing, including the "A," "B," and "C" licenses would be reviewed to ensure that all automatic licenses are fairly and impartially assessed. Such a fair and impartial assessment will result in a more thorough approach to addressing amendments to HRS Chapter 444 and the state's administrative rules.

Mahalo for the opportunity to provide these comments on HCR85/HR67.

Aloha,



Tyler Dos Santos-Tam
Executive Director
Hawai'i Construction Alliance
execdir@hawaiiconstructionalliance.org



HAWAII BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO

Gentry Pacific Design Center, Suite 215A * 560 N. Nimitz Highway, #50 * Honolulu, Hawaii 96817
(808) 524-2249 - FAX (808) 524-6893

KIKA G. BUKOSKI
Executive Director

March 26, 2013

EXECUTIVE BOARD

REGINALD CASTANARES
President
Plumbers & Fitters Local 675

DAMIEN T.K. KIM
Vice President
International Brotherhood of
Electrical Workers Local 1186

MARC YAMANE
Secretary Treasurer
Elevator Constructors Local 126

RYDEN VALMOJA
Sergeant At Arms
District Council 50
Painters & Allied Trades Local 1791
Carpet, Linoleum, & Soft Tile
Local 1926
Drywall, Tapers & Finishers
Local 1944
Glaziers, Architectural Metal &
Glassworkers Local 1889

DOUGLAS FULP
Trustee
International Assoc. of Heat & Frost
Insulators & Allied Workers Local 132

JOSEPH O'DONNELL
Trustee
Iron Workers Local 625

GARY AYCOCK
Boilermakers, Ironship Builders
Local 204

ART TOLENTINO
Sheet Metal Workers I.A. Local 293

RONAN KOZUMA
Hawaii Teamsters & Allied
Workers Local 996

VAUGHN CHONG
Roofers, Waterproofers & Allied
Workers United Union of Roofer
Local 221

Honorable Representative Angus McKelvey, Chair
Honorable Representative Derek Kawakami, Vice Chair
Committee on Consumer Protection & Commerce
Hawaii State House of Representatives
State Capitol
Honolulu, Hawaii 96813

Re: HCR85 Requesting the Contractors Licensing Board to prepare a report that evaluates each automatic specialty license issued to "A" General Engineering Contractors and "B" General Building Contractors.

Hearing: Wednesday, March 27, 2013, 1600, Room 325

Aloha Chair McKelvey, Vice Chair Kawakami and Committee Members;

The Hawaii Building & Construction Trades Council, AFL-CIO. The Council is comprised of various construction trade unions and represents the interests of over 15,000 of Hawaii's unionized construction trades men and women throughout the state.

The Council supports a review of the automatic specialty licenses granted to General "A" and "B" contractors. Hawaii's contractors licensing law is intended to provide a process by which applicants are required to show practical knowledge and experience in the licensed area being sought. Specialty crafts sometimes consist of skills and practices that general builders may or may not possess which may pose a danger to public health, safety and welfare. It is prudent to request a review of the current statutes and rules to ensure that they are indeed serving the purpose they were intended to serve.

The HBCTC is a member of the AFL-CIO and sanctioned by the Building and Construction Trades Department (organized 1901). HBCTC has and continues to serve its members through advocacy and education of construction trades in Hawaii and sincerely appreciates the opportunity to provide testimony in support of HCR85.

Mahalo;

Kika G. Bukoski
Hawaii Building and Construction Trades Council, AFL-CIO



Testimony of Clyde T. Hayashi
Director
Hawaii LECET
1617 Palama Street
Honolulu, HI 96817

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Wednesday, March 27, 2013
4:00 a.m., Conference Room 325

HCR 85/HR 67 - REQUESTING THE CONTRACTORS LICENSE BOARD TO PREPARE A REPORT THAT EVALUATES EACH AUTOMATIC SPECIALTY LICENSE ISSUED TO "A" GENERAL ENGINEERING CONTRACTORS AND "B" GENERAL BUILDING CONTRACTORS

Aloha Chair McKelvey, Vice Chair Kawakami, and Members of the Committee:

My name is Clyde Hayashi and I am the director of Hawaii LECET (Laborers-Employers Cooperation and Education Trust). Hawaii LECET is a partnership between the Hawaii Laborers' Union, Local 368 and our union contractors.

I am submitting this testimony to share our **comments** regarding HCR 85/HR 67.

HCR 85/HR 67 proposes to require the Contractor License Board (CLB) to prepare a report that evaluates each automatic specialty license issued to the "A" General Engineering Contractors and "B" General Building Contractors.

Contrary to testimony offered by proponents of SB 347 and HB 78 which stated that only "A" General Engineering Contractors and "B" General Building Contractors receive automatic licenses, there are at least twenty-two (22) "C" specialty licenses which grants automatic licenses. The CLB can easily confirm this.

In addition, testimony offered by proponents of SB347 and HB 78 suggest that there are major construction quality problems with our "A" General Engineering Contractors and "B" General Building Contractors. During the deliberations, we did not hear a specific example cited, so we are not aware of what "problem" is being "fixed." We are not aware of any major construction quality/defect problem relating to any "A" General Engineering Contractors and "B" General Building Contractors.

As currently drafted, the Resolution is biased and clearly targets the "A" and "B" General Contractors. We respectfully request that HCR 85/HR 67 be amended to have all "C" specialty licenses to be included in the CLB study. Any study should look at all licenses.

Thank you for the opportunity to offer these comments regarding HCR 85/HR 67.