

**PRESENTATION OF THE
CONTRACTORS LICENSE BOARD**

TO THE HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT
AND
TO THE HOUSE COMMITTEE ON ENERGY
& ENVIRONMENTAL PROTECTION

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2013

Friday, March 15, 2013
10:30 a.m.

**TESTIMONY ON SENATE BILL NO. 512, S.D. 1, RELATING TO ELECTRICAL
CONTRACTORS.**

TO THE HONORABLE MARK M. NAKASHIMA, CHAIR,
TO THE HONORABLE CHRIS LEE, CHAIR,
AND MEMBERS OF THE COMMITTEES:

My name is Peter Lee, and I am the Chair of the Contractors License Board's
Legislation Committee. Thank you for the opportunity to testify in opposition to Senate
Bill No. 512, S.D. 1, Relating to Electrical Contractors.

The purpose of this bill is to exempt out-of-state electrical workers retained by a
public utility from the license requirements of the Board of Electricians and Plumbers
(Chapter 448E, HRS). The Contractors License Board ("Board") has concerns because
the bill does not clearly address the employment status of the exempt worker. If the
exempt worker is employed by an electrical contractor, it is the position of the Board that
the electrical contractor must be licensed pursuant to Chapter 444, HRS. Furthermore,
if the exempt worker is acting as an independent contractor, then the worker must be
licensed as an electrical contractor pursuant to Chapter 444, HRS.

The Board also notes that the original intent of exempting these workers in
Senate Bill No. 512 was to address emergency situations; however, the Senate Draft 1

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does not limit the use of exempt workers to emergency situations, nor does it mention emergency situations in the bill's purpose (Section 1). The Board further notes that the Governor has the authority to waive licensing requirements during a state of emergency pursuant to Chapter 128, HRS, and the Board has in place expedited licensing procedures for out-of-state contractors during such a period of emergency.

Thank you for the opportunity to testify on Senate Bill No. 512, S.D. 1.

**PRESENTATION OF THE
BOARD OF ELECTRICIANS
AND PLUMBERS**

TO THE HOUSE COMMITTEE ON LABOR
& PUBLIC EMPLOYMENT
AND
TO THE HOUSE COMMITTEE ON ENERGY
& ENVIRONMENTAL PROTECTION

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TO THE HONORABLE MARK M. NAKASHIMA, CHAIR,
TO THE HONORABLE CHRIS LEE, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Peter Akamu, Co-Chairperson of the Legislation Committee of the Board of Electricians and Plumbers ("Board"). Thank you for the opportunity to testify in opposition to Senate Bill No. 512, S.D.1, which amends Section 448E-13, Hawaii Revised Statutes, to exempt persons retained by a public utility to perform high voltage electrical work (600 volts or higher) from the licensing requirements of Chapter 448E.

Section 448E-13 already provides an exemption from licensure for public utility employees performing public utility work. The Legislature in its wisdom provided the public utilities with an exemption for its employees because they are directly supervised by the public utility. However, private contractors who are contracted by the public utility provide supervision of their own employees and are only indirectly supervised by the public utility. It is also not clear, with the bill being titled "Electrical Contractors," whether the electrical contractor who employs these exempt personnel shall be licensed

pursuant to Chapter 444. Therefore, the Board feels employees of private contractors must be qualified and licensed to perform electrical work in Hawaii.

Exempting persons from Chapter 448E removes any regulatory oversight of these unlicensed electricians. Therefore, will the public utility be held responsible for insuring that the electrician holds a license, that the license is in good standing, and that the license has not been revoked or suspended for cause? If the public utility will be providing this oversight, we believe this bill is unnecessary since these electricians could be personnel retained on contract basis which the existing language allows. To exempt out-of-state license holders from meeting qualifications for licensure others must meet to perform electrical work in this state, without being employees or personnel of the public utility, subjects consumers to potential harm and establishes an uneven playing field.

For these reasons, the Board strongly opposes this bill and requests that this measure be held. Thank you for the opportunity to testify on this matter.



International Brotherhood of Electrical Workers

LOCAL UNION NO. 1186 • Affiliated with AFL-CIO

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March 4, 2013

TO: **HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT, AND
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION**
For Hearing on Friday, March 15, 2013, at 10:30 a.m., in Room 309

RE: **TESTIMONY IN SUPPORT OF SB512 SD1**

Honorable Chairs Nakashima & Lee, Vice Chairs Hashem & Thielen, and Committee Members,

The **International Brotherhood of Electrical Workers Local Union 1186** represents over 3,400 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 support the SD1 draft of SB512, which sunsets in 2018. This new temporary high-voltage (over 600 volts) worker exemption till 2018 sought by Hawaiian Electric is acceptable as long as the sunset language is clear, and the new language does not exempt subcontractors from the Hawaii contractors licensing requirements as was the case in the original SB512 draft. The State Senate agreed in the SD1 that local training to develop a quality Hawaiian workforce would be the best long term goal for securing a safe and reliable electrical grid for our community.

Please note that there is currently already another existing utility exemption under HRS §448E-13 that addresses all of HECO's direct employees: *"All employees of a public utility within the State under a franchise or charter granted by the State which is regulated by the public utilities commission and community antennae television company, while so employed, shall be exempt from the provision of this chapter."*

In addition, existing HRS §444-10.6 already addresses concerns during state emergencies due to any actual shortage of state contractors: *"(a) Notwithstanding any other provision of law to the contrary, the board may issue emergency contractor's licenses during a state of emergency or disaster duly declared by the governor under chapter 209 upon a determination by the board that a shortage of Hawaii licensed contractors exists."*

Furthermore, there is already another emergency exemption under the existing HRS §444-9.5 worker licensing laws for emergencies due to any potential shortage of licensed electricians: *"(a) The board may waive this requirement in any county when there are insufficient licensed electrical or plumbing workers in that county to comply with this section."* Thank you for giving us this opportunity to testify on SB512 SD1.

Mahalo and aloha,

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

**Testimony before the House Committees On
Labor and Public Employment &
Energy & Environmental Protection**

**By Leroy J. Chincio
Superintendent, Construction Management Division
Construction and Maintenance Department
Hawaiian Electric Company, Inc.**

**March 15, 2013
10:30 am**

**SB 512, SD 1
Relating to Electrical Contractors**

Chairs Nakashima & Lee, and Members of the Committee:

My name is Leroy Chincio and I am testifying on behalf of the Hawaiian Electric Company and its subsidiaries, Hawaii Electric Light Company and Maui Electric Company. We strongly support this bill.

Act 35, Session Laws of Hawaii 2010, had the unintended consequence of preventing out of state electricians from doing work on high-voltage power lines. This bill attempts to remedy this situation. SB 512, SD1 seeks to exempt out-of-state electricians hired by a contractor performing high-voltage (600 volts or higher) work for a public utility from licensing laws for electricians.

Currently, other than the employees of the Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, and Kauai Island Utility Cooperative, there are only a handful of electrical workers in the State that are qualified to perform high voltage work and all of them are currently employed and working. These non-utility, in-state, high voltage workers are qualified to do underground line work; however none are qualified to do overhead line work. Most in-state electrical workers are only experienced in low voltage (120 to 480 volt) work common in most homes and commercial buildings. High voltage work requires very specialized skills, requiring different training, tools, and equipment from the more common low-voltage electrician.

An example of high-voltage work includes the replacement of one hundred and thirty-eight thousand volt poles, hardware, and conductors, located in the mountains which are only accessible by helicopter. To safely and properly perform this work, contractors working for an electric utility may need to use specialized and experienced personnel from the mainland who are not licensed in the state of Hawaii even though they are union members and authorized to work in other states to perform this and other types of high-voltage work.

The exemption is in the state's best interest because it allows contractors to utilize qualified out-of-state high-voltage workers to safely assist the utility in activities such as storm restorations, complex maintenance, and emergency situations, when there is a shortage of local experience.

We appreciate the support of the Legislature in hearing and understanding our concerns.

Thank you for the opportunity to testify on this matter.