

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

TO THE HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE

TWENTY-NINTH LEGISLATURE
Regular Session of 2018

Wednesday, February 21, 2018
2:00 p.m.

**TESTIMONY ON HOUSE BILL NO. 1880, H.D. 2, RELATING TO ELECTRICAL
CONTRACTORS.**

TO THE HONORABLE ROY TAKUMI, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Peter Akamu, and I am the Chairperson of the Board of Electricians and Plumbers ("Board"). Thank you for the opportunity to testify in support of H.B.1880, H.D. 2. This measure is similar to S.B. 2297, which was passed unamended out of the joint Committees on Transportation and Energy and Labor on February 9, 2018.

H.B. 1880, H.D. 2 extends the sunset date of Act 65, Session Laws of Hawaii ("SLH") 2013, which provides a limited exemption from the electrician licensing requirements for individuals who are employed by electrical contractors who are retained by a public utility within the State to perform high-voltage (600 volts or higher) electrical work and are deemed qualified by the public utility. The Board discussed this proposal during its December 12, 2017, board meeting.

The current law has been in effect for the past five years, and since the board has not heard of any public safety concerns, it supports the law's continuation to June 30, 2023.

Thank you for the opportunity to testify in support of H.B. 1880, H.D. 2.

Testimony before the House Committee on Consumer Protection & Commerce

**By Paul A. Nakagawa
Superintendent, T&D Infrastructure
Construction and Maintenance Department
Hawaiian Electric Company, Inc.**

**Wednesday, February 21, 2018
2:00 p.m., Conference Room 329**

**House Bill 1880 HD2
Relating to Electrical Contractors**

Chair Takumi, Vice Chair Ichiyama, and Members of the Committee:

My name is Paul Nakagawa, and I am testifying on behalf of the Hawaiian Electric Company, Inc. and its subsidiaries, Hawaii Electric Light Company, Inc. and Maui Electric Company, Limited (collectively, the “Hawaiian Electric Companies”) in strong support of HB 1880 HD2.

Act 35, Session Laws of Hawaii 2010, had the unintended consequence of preventing an electric utility in the state of Hawaii from retaining the services of qualified high voltage (600 volts or higher) electrical workers who are otherwise not licensed in the state. To address the need for an electric utility to retain the services of such individuals qualified to work with high voltage power lines, the legislature passed Act 65, Session Laws of Hawaii 2013. Act 65 provided a 5 year limited exemption from electrician licensing requirements for individuals employed by electrical contractors who were retained by and deemed qualified by a public utility to perform high voltage work. Act 65 is scheduled to be repealed on June 30, 2018. HB 1880 HD2 seeks a 5 year extension of this limited exemption.

The Hawaiian Electric Companies need this exemption. 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 a majority of them are either already employed or retired. Other than utility electrical workers, most in-state electrical workers are only experienced in low voltage (120 to 480 volts) work common in most residential homes and commercial buildings. High voltage work requires additional skills, training, and experience with related tools and equipment, gained through a specific apprenticeship program. Examples of high voltage work include, but not limited to, the

replacements of one hundred and thirty-eight thousand volt (e.g. 138KV) poles, structures, hardware, and electrical wires, located atop our Koolau mountain ridge and only accessible by helicopter or hiking. To safely and properly perform this work, we may need to bring in specialized out-of-state contractors whose electrical workers are not individually licensed under chapter 448E in the state of Hawaii, but whom are properly qualified and authorized to perform this type of work and other high voltage work in other states.

This exemption is also in the state's best interest because it allows an electric utility in the state of Hawaii to retain the services of qualified out-of-state high voltage workers to safely assist the utility in activities such as storm restorations, complex and specialized maintenance, and emergency restorations that potentially impact the health and safety of the State and its residents when there is a shortage of local experience.

Thank you for the opportunity to testify on this matter.



International Brotherhood of Electrical Workers

LOCAL UNION NO. 1186 • Affiliated with AFL-CIO

1935 HAU STREET, ROOM 401 • HONOLULU, HI 96819-5003

TELEPHONE (808) 847-5341 • FAX (808) 847-2224

February 20, 2018

TO: HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

RE: TESTIMONY IN OPPOSITION OF HOUSE BILL 1880 HD2 RELATING TO ELECTRICAL CONTRACTORS

For Hearing on Wednesday, February 21, 2018, at 2:00 P.M., in Conference Room 329

Honorable Chair Takumi, Vice Chair Ichiyama, and Committee Members,

The **International Brotherhood of Electrical Workers Local Union 1186** represents nearly 4,000 members working in electrical construction, telecommunications, and with Oceanic Cable. Our members include civil service employees at Pearl Harbor, Hickam, Kaneohe, and military facilities throughout Hawaii. IBEW Local 1186 also represents over 120 signatory electrical contracting companies that perform most of the electrical work in our state.

IBEW 1186 would like to provide the following testimony in **OPPOSITION** of **HB1880 HD2**.

Act 65 (2013)'s limited exemption for contractors and its employees was scheduled for repeal on June 30, 2018. Justification at the time, was based largely on a shortage of qualified in-state personnel to perform high voltage work. The five-year exemption has nearly passed and to our knowledge, no factual evidence or data has been presented to indicate any efforts made to strengthen the local labor force needed to perform such high voltage work, yet HB1880 HD2 seeks to extend an exemption that allows out of state workers to compete with Hawaii's local workforce.

Hawaii is facing a growing crisis where the cost of living is increasingly outpacing our local workforce's ability to earn a living wage. A recent study (the ALICE Report) released by Aloha United Way reports that 48% of Hawaii's residents are significantly cost burdened and considered working poor, barely able to make ends meet and some on the verge of becoming working homeless. Situations that once justified the need for a limited exemption as found in Act 65 (2013), can also present great opportunities for our local industries to re-invest in our local workforce, our local families and our local economy. IBEW Local 1186 stands ready to work with our local industries to strengthen its workforce and to provide our local working families with the opportunity to earn a living wage.

IBEW 1186 **OPPOSES** the extension of Act 65 (2013), however, should the extension be granted, we respectfully request that HB1880 HD2 be amended to require an annual report documenting measurable efforts to develop partnerships and/or programs that promote the use of Hawaii's local workforce for such high voltage work. Thank you for the opportunity to provide testimony on this measure in **OPPOSITION**.

Mahalo and aloha,

Damien Kim

Business Manager – Financial Secretary

International Brotherhood of

Electrical Workers, Local Union 1186



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Consumer Protection & Commerce
Wednesday, February 21, 2018 at 2:00 P.M.
Conference Room 329, State Capitol**

RE: HOUSE BILL 1880 HD1 RELATING TO ELECTRICAL CONTRACTORS

Chair Takumi, Vice Chair Ichiyama, and members of the committee:

The Chamber is in **support** of HB 1880 which proposes to extend the sunset date of the limited exemption from licensing requirements for electrical contractors retained by an electric utility to work with high voltage and who are deemed qualified by the electric utility.

The Chamber is the largest business organization in Hawaii, representing 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state’s economic climate and to foster positive action on issues of common concern.

The bill limits the exemption to electric utility companies, and is a pro-active means to insure the State has access to qualified “high voltage” electricians, splicers, and linemen.

Due to the current lack of electricians, splicers, and linemen in the State who are experienced and qualified to work with high voltage, it may be necessary for an electric utility to contract and retain qualified personnel from other jurisdictions in the United States to perform such high voltage work. Where the electric utility retains such qualified personnel, the electric utility would have direct supervision of such personnel and would have the contractual authority to inspect and approve of all high voltage work prior to acceptance by the electric utility. Further, the operations of the electric utility are regulated and supervised by the public utilities commission. Such regulation and general supervision provides an additional layer of protection for the general public in the event the operations of the electric utility require review.

We understand the exemption has only been used a few times over the last five (5) year period due to the lack of experienced high voltage personnel for specialized work that was being done by the electric utility company.

Thank you for the opportunity to testify.



February 21, 2018

TO: REPRESENTATIVE ROY M. TAKUMI, CHAIR CONSUMER PROTECTION & COMMERCE
REPRESENTATIVE LINDA ICHIYAMA, VICE-CHAIR CONSUMER PROTECTION &
COMMERCE
MEMBERS OF THE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

FROM: BRUCE CONWAY, SR. DIRECTOR OF OPERATIONS
POWER CONTRACTING LLC

RE: HOUSE BILL 1880, HD2 RELATING TO ELECTRICAL CONTRACTORS
– **STRONG SUPPORT**

Dear Chair Takumi, Vice-Chair Ichiyama and Members of the Committee:

I am Bruce Conway, Sr. Director of Operations for POWER Contracting LLC testifying in strong support of HB1880, HD2 Relating to Electrical Contractors. We are a licensed electrical contractor in Hawaii with C-62 and C-63 licenses under Chapter 444. Our Journeyman Lineman hold Journeyman Lineman cards from the IBEW and have completed extensive apprenticeship training that includes field training, class time, and successfully passing a Journeyman Lineman exam.

We are in strong support HB1880, HD2, and the extension of the repeal date from June 30, 2018 to June 30, 2023 or later. Our industry works on the construction and maintenance of high voltage power lines both overhead and underground with distribution and transmission voltages requiring the specialized skills of Journeyman Lineman, Foreman and General Foreman who are all trained certified Journeyman Lineman. Public utilities like HECO and others contract with local and mainland companies to perform work on high voltage powerlines. Extension of the repeal date continues to enable Hawaii to have access to additional experienced high voltage Journeymen Lineman to provide the necessary capacity to meet the public utilities infrastructure construction and maintenance.

To summarize, HB1880, HD2 extends the repeal contained in section 448E-13 to June 30, 2023. Thank you for the opportunity to testify in support of HB1880, and we ask that your Committee pass this short term measure to continue providing critical capacity to public utilities throughout the state.



LATE

**Testimony to the House Committee on Consumer Protection & Commerce
Wednesday, February 21, 2018
2:00 pm
State Capitol, Room 329**

RE: HB 1880 HD2 – Relating to Electrical Contractors

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CONSTRUCTION CO. INC.

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Chair Takumi, Vice-Chair Ichiyama, & members of the Committee:

My name is Gladys Quinto-Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-HAWAII is in **strong support** of H.B. 1880, HD 2, which proposes to extend the sunset date of the limited exemption from licensing requirements for electrical contractors retained by an electric utility to work with high voltage and who are deemed qualified by the electric utility.

The bill limits the exemption to electric utility companies, and is a pro-active means to insure the State has access to qualified "high voltage" electricians, splicers, and linemen.

Due to the current lack of electricians, splicers, and linemen in the State who are experienced and qualified to work with high voltage, it may be necessary for an electric utility to contract and retain qualified personnel from other jurisdictions in the United States to perform such high voltage work. Where the electric utility retains such qualified personnel, the electric utility would have direct supervision of such personnel and would have the contractual authority to inspect and approve of all high voltage work prior to acceptance by the electric utility. Further, the operations of the electric utility are regulated and supervised by the public utilities commission. Such regulation and general supervision provides an additional layer of protection for the general public in the event the operations of the electric utility require review.

We understand the exemption has only been used a few times over the last five (5) year period due to the lack of experienced high voltage personnel for specialized work that was being done by the electric utility company.

We are in **strong support** of H.B. 1880, HD 2, and appreciate the opportunity to express our views on this matter.

LATE



ELECTRICAL CONTRACTOR'S ASSOCIATION OF HAWAII

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February 21, 2018

To: House Committee on Consumer Protection & Commerce
Honorable Chairman Roy Takumi & Vice Chair Linda Ichiyama

From: Al Itamoto, Executive Director
Electrical Contractors Association of Hawaii
National Electrical Contractors Association, Hawaii Chapter

Subject: HB 1880, HD2 Relating to Electrical Contactors

Notice of Hearing

Date: Wednesday, February 21, 2018
Time: 2:00 PM
Place: Conference Room 329
State Capitol
415 South Beretania Street

Dear Chair Takumi and Committee members:

The Electrical Contractors Association of Hawaii (ECAH) is a non-profit association representing over 100 electrical contractors doing business in the State of Hawaii. ECAH **strongly opposes** the intent and purpose of HB 1880, HD2 to extend the sunset date of Act 65 for an additional five years. Act 65 provided an exemption from electrician licensing requirements for individuals employed by electrical contractors who were retained by a public utility within the State to perform high voltage electrical work and are deemed qualified by the public utility.

During the current five year exemption, what has HECO and its neighbor island affiliates accomplished to boost their current workforce by recruiting and training their own workforce? Should this measure move forward, are there commitments made by HECO and its affiliates to recruit, train and boost their own workforce? Act 65 exempts out-of-state electricians to enter our state and perform high voltage electrical work without the proper Electrician Journeyman license that our local electricians do.

The preamble cites a shortage of electricians, splicers and linemen in the State who are experienced and qualified to work with high voltage. Actually, our contractors have qualified and experienced electricians and splicers working with high voltage. Our local signatory electrical contractors licensed in Hawaii are using licensed electricians to perform the work. There may be a shortage of linemen among the electrical contractors because there isn't steady work for these linemen throughout the year. Most of our qualified linemen have transferred to the mainland where there is steady work. Most the line work here is handled by the utility company or contracted out. Therefore the lineworkers should be the only electricians included in this exemption.

Based on the above, ECAH **strongly opposes** the passage of HB 1880, HD2 as written and encourages this committee to kill this bill.

Thank you for the opportunity to provide testimony on this issue.