

HB1880 HD3

Measure Title: RELATING TO ELECTRICAL CONTRACTORS.

Report Title: Electrical Contractors; Exemption; Licensing

Description: Extends the sunset date of the limited exemption from licensing requirements for 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. Requires reports to the Legislature on workforce development activities for qualified high voltage electrical contractors. (HB1880 HD3)

Companion:

Package: None

Current Referral: LBR, CPH

Introducer(s): TAKUMI, ICHIYAMA

<u>Sort by</u> <u>Date</u>		<u>Status Text</u>
1/18/2018	H	Pending introduction.
1/19/2018	H	Introduced and Pass First Reading.
1/22/2018	H	Referred to LAB, IAC, CPC, referral sheet 4
1/22/2018	H	Bill scheduled to be heard by LAB on Thursday, 01-25-18 9:00AM in House conference room 309.
1/25/2018	H	The committees on LAB recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 6 Ayes: Representative(s) Johanson, Evans, Ichiyama, Keohokalole, Yamashita, Matsumoto; Ayes with reservations: none; Noes: none; and 1 Excused: Representative(s) Holt.
1/31/2018	H	Reported from LAB (Stand. Com. Rep. No. 22-18) as amended in HD 1, recommending passage on Second Reading and referral to IAC.
1/31/2018	H	Passed Second Reading as amended in HD 1 and referred to the committee(s) on IAC with none voting aye with reservations; none voting no (0) and Representative(s) C. Lee, Ward excused (2).
2/9/2018	H	Bill scheduled to be heard by IAC on Wednesday, 02-14-18 9:00AM in House conference room 429.
2/14/2018	H	The committees on IAC recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 9 Ayes: Representative(s) Ohno, Choy, Cachola, Fukumoto, Ito, Onishi, Tokioka, Woodson, Ward; Ayes with reservations: none; Noes: none; and 1 Excused: Representative(s) LoPresti.
2/16/2018	H	Reported from IAC (Stand. Com. Rep. No. 653-18) as amended in HD 2, recommending referral to CPC.
2/16/2018	H	Report adopted. referred to the committee(s) on CPC as amended in HD 2 with none voting aye with reservations; none voting no (0) and Representative(s) DeCoite, Ing, Nakamura, Onishi, Woodson excused (5).
2/16/2018	H	Bill scheduled to be heard by CPC on Wednesday, 02-21-18 2:00PM in House conference room 329.
2/21/2018	H	The committees on CPC recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 11 Ayes: Representative(s) Takumi, Ichiyama, Aquino, Ito, Johanson, LoPresti, Mizuno, Say, Tokioka, Yamane, McDermott; Ayes with reservations: none; Noes: none; and Excused: none.
3/2/2018	H	Reported from CPC (Stand. Com. Rep. No. 1069-18) as amended in HD 3, recommending passage on Third Reading.
3/2/2018	H	Forty-eight (48) hours notice Tuesday, 03-06-18.
3/6/2018	H	Passed Third Reading as amended in HD 3 with none voting aye with reservations; none voting no (0) and Representative(s) Woodson excused (1). Transmitted to Senate.
3/8/2018	S	Received from House (Hse. Com. No. 286).
3/8/2018	S	Passed First Reading.
3/8/2018	S	Referred to LBR, CPH.
3/12/2018	S	The committee(s) on LBR has scheduled a public hearing on 03-15-18 2:45PM in conference

_____ room 229.

S = Senate | **H** = House | **D** = Data Systems | **\$** = Appropriation measure | **ConAm** = Constitutional Amendment

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HB1880 HD3



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON LABOR
Thursday, March 15, 2018
2:45 p.m.
State Capitol, Conference Room 229
in consideration of
HB1880, HD3
RELATING TO ELECTRICAL CONTRACTORS.

Chair Tokuda, Vice Chair English, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT):

- Does not take a position on HB1880, HD3, Section 2 of the measure that extends the sunset date of the limited exemption from licensing requirements for electrical contractors as specified,
- Opposes Section 3 which requires the Department of Labor and Industrial Relations (DLIR) in conjunction with DBEDT to submit an annual report until 2023 with data to help assess the continued necessity of the exemption provided for in this legislation. Neither DLIR, nor DBEDT, collect or has the current capacity to provide the specific information being requested. DLIR, as the lead of Section 2, would require funding for the research and data gathering for the collection of the information being requested.

Thank you for the opportunity to provide these comments.

DAVID Y. IGE
GOVERNOR

DOUGLAS S. CHIN
LIEUTENANT GOVERNOR



LEONARD HOSHIJO
DIRECTOR

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

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March 15, 2018

To: The Honorable Jill N. Tokuda, Chair;
The Honorable J. Kalani English, Vice Chair; and
Members of the Senate Committee on Labor

Date: Thursday, March 15, 2018
Time: 2:45 p.m.
Place: Conference Room 229, State Capitol

From: Leonard Hoshijo, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 1880 HD3 Relating to Electrical Contractors

HB1880 HD3 contains a provision requiring DLIR and the Department of Business, Economic Development and Tourism (DBEDT) to submit an annual report each year until 2023 with data to help assess the continued necessity of the exemption provided for in this legislation. DLIR opposes this measure as amended, offers comments, and should this provision move forward will provide an estimated cost to initiate this new function.

DLIR does not collect nor has the current capacity to provide the specific information being requested of DLIR and DBEDT in an annual report to the Legislature through HB 1880 HD3.

The Department offers the following comments on the pertinent provisions:

- (1) Programs in the State that offer vocational training for high voltage electrical work;

Data on licensed training programs is available online. However, the information is very general about electrician and construction trades training programs. It does not have information specific to training for high voltage electrical work.

- (2) The number of individuals receiving vocational training for high voltage electrical work;

The Department does not have enrollment information.

- (3) The number of licensed electricians in the State qualified to perform high voltage electrical work; and

DLIR does not have licensure information for electricians qualified to perform high voltage work.

- (4) Existing partnerships promoting the growth of the number of persons in the State qualified to perform high voltage electrical work.

DLIR does not have this information, collecting this would require research and data gathering.

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

TO THE SENATE COMMITTEE ON LABOR

TWENTY-NINTH LEGISLATURE
Regular Session of 2018

Thursday, March 15, 2018
2:45 p.m.

**TESTIMONY ON HOUSE BILL NO. 1880, H.D. 3, RELATING TO ELECTRICAL
CONTRACTORS.**

TO THE HONORABLE JILL N. TOKUDA, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Peter Akamu, and I am the Chairperson of the Board of Electricians and Plumbers ("Board"). I appreciate the opportunity to testify in support of H.B. 1880, H.D. 3, Relating to Electrical Contractors. This measure is similar to S.B. 2297, which passed out of the Senate joint committees on Labor and Transportation and Energy on February 9, 2018.

H.B. 1880, H.D. 3 extends the sunset date of Act 65, Session Laws of Hawaii 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 H.B. 1880, H.D. 1 at its February 13, 2018, 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. The Board has not, however, had an opportunity to discuss the amendments proposed in section 3 of this measure, which requires the Department of Labor and Industrial Relations, in conjunction with the Department of Business, Economic Development and Tourism, to report to the Legislature on: programs in the State that offer high voltage vocational training; the number of individuals in those training programs; the number of licensed electricians in the State qualified to perform high voltage electrical work; and the partnerships promoting growth in the State of qualified individuals to perform high voltage work.

Thank you for the opportunity to testify in support of H.B. 1880, H.D. 3.

Testimony before the Senate Committee on Labor

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

**Thursday, March 15, 2018
2:45 p.m., Conference Room 229**

**House Bill 1880 HD3
Relating to Electrical Contractors**

Chair Tokuda, Vice Chair English, 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 HD3.

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 HD3 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.



March 15, 2018

TO: SENATOR JILL N. TOKUDA, CHAIR OF COMMITTEE ON LABOR
SENATOR J. KALANI ENGLISH, VICE-CHAIR OF COMMITTEE ON LABOR
MEMBERS OF THE COMMITTEE ON LABOR

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

RE: HOUSE BILL 1880, HD3 RELATING TO ELECTRICAL CONTRACTORS
– **STRONG SUPPORT**

Dear Chair Tokuda, Vice-Chair English and Members of the Committee:

I am Bruce Conway, Sr. Director of Operations for POWER Contracting LLC testifying in strong support of HB1880, HD3 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, HD3, 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, HD3 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.



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

March 13, 2018

TO: SENATE COMMITTEE ON LABOR

For: **HB1880 HD3 Relating to Electrical Contractors**

Hearing on Tuesday, March 15, 2018, at 2:45 p.m., in Conference Room 229

Honorable Chair Tokuda, Vice Chair English 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 HD3**.

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 HD3 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) and appreciates the amendments made to the HD2 version of the bill, however respectfully requests that HB1880 HD3 be further amended to include "prescriptive" language as opposed to merely reporting requirements, that require the actual establishment of high voltage training programs and documented and measurable increases in a trained 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



**Testimony to the Senate Committee on Labor
Thursday, March 15, 2018 at 2:45 P.M.
Conference Room 229, State Capitol**

RE: HOUSE BILL 1880 HD3 RELATING TO ELECTRICAL CONTRACTORS

Chair Tokuda, Vice Chair English, and members of the committee:

The Chamber is in **support** of HB 1880 HD3 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. It also requires the reports to the Legislature on workforce development activities for qualified high voltage electrical contractors.

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.