

HB 2467

**RELATING TO
LABOR**

A BILL FOR AN ACT

RELATING TO LABOR.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Given that Hawaii's labor landscape comprises
2 numerous private sector labor organizations, the legislature
3 finds that it is in the best interest of the public that laws
4 reflect appropriate jurisdictions of each of the trades.
5 Various factors inherently dictate how work is allocated to
6 labor organizations. These factors include traditional
7 jurisdictions, type of craft, scope of work, and relevant
8 building code. Altering any of these factors potentially
9 impacts the nature of the work performed and the applicable
10 labor organization and its members.

11 The legislature further finds that it is imperative to
12 balance the preservation of work for the members of the labor
13 organizations with the health and safety of construction
14 projects and the ultimate value to taxpayers. Health, safety,
15 efficacy, and cost should be a consideration in construction
16 projects. Hawaii continues to face high costs of construction



1 as the State and counties continue to explore how to create more
2 affordable housing and transit-oriented development.

3 The purpose of this Act is to ensure building codes that
4 directly affect labor organizations and their members account
5 for cost as well as quality and experience in work performed in
6 construction projects.

7 SECTION 2. Section 107-25, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "§107-25 Hawaii state building codes; requirements. (a)

10 There is established the Hawaii state building codes applicable
11 to all construction in the State of Hawaii. The Hawaii state
12 building codes shall be based upon:

13 (1) The state fire code as adopted by the state fire
14 council;

15 (2) The Uniform Plumbing Code, as copyrighted and
16 published by the International Association of Plumbing
17 and Mechanical Officials, including its appendices;

18 (3) The International Building Code, the International
19 Residential Code, and the International Energy
20 Conservation Code, as published by the International
21 Code Council;



- 1 (4) The National Electrical Code, as published by the
2 National Fire Protection Association;
- 3 (5) Hawaii design standards implementing the criteria
4 pursuant to Act 5, Special Session Laws of Hawaii,
5 2005, as applicable to:
- 6 (A) Emergency shelters built to comply with hurricane
7 resistant criteria, including enhanced hurricane
8 protection areas capable of withstanding a five
9 hundred-year hurricane event as well as other
10 storms and natural hazards; and
- 11 (B) Essential government facilities requiring
12 continuity of operations; and
- 13 (6) Code provisions based on nationally published codes or
14 standards that include but are not limited to
15 residential and hurricane resistant standards related
16 to loss mitigation standards in accordance with
17 section 431P-12, elevator, mechanical, flood and
18 tsunami, existing buildings, and onsite sewage
19 disposal.
- 20 (b) State projects shall be designed and constructed using
21 a code that is the most cost effective for a state project,



1 including the use of an alternative code that corresponds to the
2 applicable code of trade or area of construction as provided in
3 paragraphs (2), (3), and (4) of subsection (a); provided that:

4 (1) The alternative code shall be more cost effective than
5 the applicable code of trade or area of construction
6 specified in subsection (a);

7 (2) The prescriptive design of the alternative code does
8 not negatively affect the performance of the project
9 or public safety and health; and

10 (3) The alternative code is approved by the council."

11 SECTION 3. New statutory material is underscored.

12 SECTION 4. This Act shall take effect upon its approval.

13

INTRODUCED BY:  _____

JAN 23 2018



H.B. NO. 2467

Report Title:

State Building Codes; Alternative Codes; Health and Safety;
Labor

Description:

Requires state projects to be designed and constructed using an alternative code that is most cost effective to a project, subject to certain conditions, including health and safety.

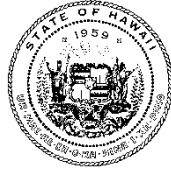
The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



HB 2467

TESTIMONY

DAVID Y. IGE
GOVERNOR



RODERICK K. BECKER
Comptroller

AUDREY HIDANO
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

TESTIMONY OF
RODERICK K. BECKER, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT
ON
TUESDAY, FEBRUARY 13, 2018
9:15 A.M.
CONFERENCE ROOM 309

H.B. 2467

RELATING TO LABOR.

Chair Johanson, Vice Chair Holt, and members of the Committee, thank you for the opportunity to submit testimony on H.B. 2467.

The Department of Accounting and General Services (DAGS) appreciates the intent of the measure to revise Section 107-25, Hawaii Revised Statutes, but is concerned that the focus on use of cost-effective alternative building codes may not sufficiently address issues of long-term operational and other life-cycle costs, obtaining required permits, formal adoption of such codes, and exposure to increased liability.

1. The State is a long-term owner of its facilities, and must consider both the first costs of construction and the long-term costs of operating and maintaining those facilities. The proposed language notes “the prescriptive design of the alternative code [shall] not negatively affect the performance of the project or public safety and health,” but does not explicitly require the use of prescriptive design rather than the performance design methodologies that may be employed by some alternative codes. Additionally, the legislation does not provide guidance as

to definition of the term “performance” and whether that term is intended to address, for example, both first costs and long-term costs.

2. Facilities designed under alternative codes may not be able to obtain county permits for construction. Section 46-18, Hawaii Revised Statutes (HRS) requires, with certain limited exceptions, the State to obtain county permits for construction and alteration of its facilities. The counties now adopt conventional codes; and are subject to timely adoption of codes adopted by the state. If a project designed under an alternative code is submitted for permitting in a county that has not yet adopted that code, and that code is not compliant with the adopted codes of the county, the county may reasonably deny the permit, with the potential that construction of a needed facility will not be able to proceed; or construction of the facility may be delayed until the county adopts the alternative code and can issue the required permit, with the further potential that project costs may increase due to that delay.

3. The proposed language does not require formal adoption of any alternative code. The language for proposed Section 107-25 (b)(3) provides that the “alternative code is approved by the council,” which we take to refer to the State Building Code Council (SBCC). Although approval of a code by the SBCC is precedent to adoption of that code, the council’s approval does not equate to formal adoption. Formal adoption has long been the requirement for determination of when a code is effective. If this measure is to be pursued, the language should be revised to add the phrase “and adopted” after the phrase “is approved.” It should be noted it is likely the alternative code identified for a project will have been developed for regional or national application, and it will be necessary or desirable to amend the code to address local issues, conditions or practices. Because code amendments may impact the design or construction of a specific facility, it is unwise to commence design of a project until the amended

governing code is formally adopted. The process of amending, approving and adopting an alternative code may be expected to require an extended duration, during which time implementation of the project must reasonably be delayed, with the dual possibilities that project costs may increase or appropriated funds may lapse.

4. Use of alternative codes may expose the State to unusual liabilities. The current standard of care applicable to design and construction services procured for state facilities is based on what a reasonably prudent designer or builder in the same community, at the same time, and under the same or similar circumstances may be expected to do. If the State's use of an alternative code requires a designer to design, or a builder to construct a facility under different circumstance than are applicable to the remainder of the community, the State may be required to assume responsibility for that designer's or builder's errors, omissions or defects.

Thank you for the opportunity to submit testimony on this matter.



1088 BISHOP STREET #408
HONOLULU, HI 96813
PH: (808) 597-1216

GREGG S. SERIKAKU
EXECUTIVE DIRECTOR

February 8, 2018

Representative Aaron Ling Johanson, Chair
Representative Daniel Holt, Vice-Chair
House of Representatives Committee on Labor and Public Employment
The Twenty-Ninth Legislature, Regular Session of 2018

Chair Johanson, Vice Chair Holt, and Members of the Committee:

SUBJECT: HB2467 Relating to Building Codes

My name is Gregg Serikaku. I am the Executive Director of the Plumbing and Mechanical Contractors Association of Hawaii. The Association for which I speak is **strongly opposed** to HB2467.

This bill would permit state projects to be designed and constructed using alternative building codes from what is required under the state model codes subject to certain conditions. These conditions require that:

1. the alternative code is more cost effective than the applicable model code,
2. the prescriptive design of the alternative code does not negatively impact the performance of the project,
3. the alternative code does not negatively impact public safety and health, and
4. the alternative code is approved by the building code council.

While we certainly appreciate the stated intent of this bill, there are many questions about these requirements that need to be addressed:

- Who will be the person or agency responsible for determining whether an alternative code is more cost effective and how will this be substantiated?
- Will cost effectiveness be determined for the initial cost of construction only or will it also include cost of future system maintenance?
- Who will be the person or agency responsible for determining whether the alternative code does not negatively affect the performance of the project and how will this be substantiated?
- Who will be the person or agency responsible for determining whether the alternative code does not negatively affect public health and safety and how will this be substantiated?
- Will there be a thorough review by an independent party for each state project in order to verify that the alternative code meets all of the requirements for use?

Obviously, since every construction project presents different designs, requirements and conditions, there are no blanket answers to these questions, therefore making these determinations will involve significant costly research and detailed comparisons of the model code vs. the alternative code for each project in which the alternative code is being proposed.

There are many other serious considerations specific to the licensed plumbing and electrical trades as follows:

1. The State's licensing divisions utilize the State designated model codes in their testing for both individuals' and contractors' plumbing and electrical licenses. Furthermore, every 3 years, all individually licensed electricians and plumbers must go through a recertification which is largely based on the changes in most recent publication of the designated model codes.

If alternative codes are allowed, what type of requirements will be placed on the licensed contractors and individual tradespersons to insure they understand the proper implementation of the alternative codes and any changes that arise out of newer publications?

2. The largest registered apprenticeship programs in the State of Hawaii for both plumbers and electricians are based on the designated State model codes. These programs require 5 years of schooling and a minimum of 10,000 hours of work experience before apprentices can apply for their license exams.

If alternative codes are allowed, how will the State insure the tradespersons are properly trained in the correct installation of systems under the alternative codes?

3. All of the current designated model codes already have provisions that allow the use of alternative materials and methods of equivalency. These provisions are intended to apply in specific situations for which the model codes cannot reasonably accommodate, and must be reviewed and approved by the authority having jurisdiction to insure there are no concerns with its utilization.

Why is there a need to allow the use of an entirely unvetted alternative codes when there are already provisions in the current model codes that allow for specific limited alternative materials and methods when deemed necessary?

In fact it must be pointed out that when the legislature approved the formation of the State Building Code Council in 2005, the legislators wisely recognized the importance of protecting the licensed plumbing and electrical trades and specifically required that the model plumbing code be based solely on the Uniform Plumbing Code (UPC), and the model electrical code be based solely on the National Electrical Code (NEC), because these were the codes universally utilized by the 2 licensed trades in Hawaii. (Note: These 2 trades are long recognized under HRS 448E as significant trades that require individually licensed tradespersons due to the public health and safety concerns these types of trades entails.)

In closing, we feel that HB2467 as written creates significant concerns in regards to its implementation. Further, it is apparent that the current state model codes utilized by the licensed plumbing and electrical trades should be exempt from this legislation, and in fact, **HB2467 should be amended to prohibit the future inclusion of any alternative plumbing or electrical codes in the State model codes.**

Respectfully yours,

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

Gregg S. Serikaku
Executive Director



HAWAII LABORERS-EMPLOYERS COOPERATION AND EDUCATION TRUST
650 Iwilei Road, Suite 285 · Honolulu, HI 96817 · Phone: 808-845-3238 · Fax: 808-845-8300 · URL: hilecet.org

February 13, 2018

HOUSE OF REPRESENTATIVES

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

NOTICE OF HEARING

DATE: Tuesday, February 13, 2018
TIME: 9:15 AM
PLACE: Conference Room 309

RE: STRONG OPPOSITION TO HB 2467 - RELATING TO LABOR

Aloha Committee Chair Aaron Johanson, Vice Chair Daniel Holt, and members of the Committee on Labor & Public Employment,

The Hawaii Laborers-Employers Cooperation and Education Trust (LECET) is a labor-management partnership between the 5000+ members of the Hawaii Laborers Union and its 250+ unionized contractors.

Hawaii LECET SUPPORTS HB 2467 which requires state projects to be designed and constructed using an alternative code that is most cost effective to a project, subject to certain conditions, including health and safety.

Building codes are necessary to protect public health, safety and general welfare as they relate to the construction and occupancy of buildings and structures. They dictate how things are built, but when building codes are too strict and causes unnecessary increases in costs (material, labor, etc...), alternative codes must be considered if public health and safety are not compromised.

For this reason alone, we ask for your consideration to pass HB 2467 out of his committee.

With respect,

Peter H. M. Lee
Hawaii Laborers-Employers Cooperation
and Education Trust

AMERICAN INSTITUTE OF ARCHITECTS

February 13, 2018

Honorable Aaron Ling Johanson, Chair
House Committee on Labor

Re: House Bill 2467 Relating to Building Codes

Dear Chair Johanson and Members of the Committees

My name is Daniel Chun Government Affairs Commissioner of the American Institute of Architects Hawaii State Council (AIA) **OPPOSING** HB 2467. The state building code is based on International Building Code with a few Hawaii amendments reviewed by the AIA Hawaii State Council Codes Committee. This is our purely volunteer effort because the state of Hawaii has never funded any administrative support for adopting new building codes.

Many factors other than building code responsible for high costs

The high cost of construction in Hawaii has much to do with many other natural and public policy factors such as:

- High labor costs (unionized labor, medical care, workers compensation and taxes), geographical isolation and reduced competition in a state divided into islands.
- Strong natural forces like earthquakes and hurricanes that buildings must resist to be safe.
- Termites and a corrosive atmosphere requiring more expensive materials to endure.
- The Hawaii site is "the factory" so there is no lower cost import that can be substituted.
- Many surveys show Hawaii has the highest cost of doing business, so it should be no mystery why Hawaii buildings are expensive.

AIA will consider any suggested amendments to new versions of IBC. However AIA has no funds and no interest to explore an alternate building code to IBC, the dominant building code within the 50 states and federal government. Essentially no widely-accepted alternate building code currently exists. Requiring use of an unknown "code" will dramatically increase an architect's professional liability. Supporting testimony for the Senate companion bill (SB 3006) focused on plumbing code alternatives which can readily be considered WITHOUT any change to current statute. Thank you for this opportunity to **OPPOSE** this completely **UNNECESSARY HB 2467**.



House Committee on Labor & Employment

Dear Chairman Johanson

I'm writing to you about House Bill 2467, State Building Codes.

The IAPMO Group wants to go on record opposing this legislation for the following reasons.

- **As written, the proponents of this legislation are seeking to adopt an additional plumbing code, the International Plumbing Code (IPC).**
- **This issue is currently being discussed within the State Building Code Council.**
- **As proposed starting on line 11, “The alternative code shall be more cost effective than the applicable code of trade or area of construction...” The language is very subjective, *who would determine which code is more cost effective?***
- **Contractors and Plumbers are licensed per the Uniform Plumbing Code. If an alternate code is adopted, no one will be licensed to perform the work per the alternative code.**
- **A fiscal note will be needed for HB 2467, as the State licensing agency will need to be funded to implement tests for contractors and plumbers**
- **Contractors and Plumbers will have to learn installation practices of an alternative code. Inspectors will have to be trained on how to inspect to the alternative code**
- **No other discipline in the state is simultaneously regulated by two different codes; rules; sets of practice**
- **In the code development process and the adoptions of codes at the “local level” stakeholders demand an open, transparent process by the adopting agencies. Adopting a second plumbing code by fiat legislation defies this concept.**
- **Technical Advisory Groups (TAG) are comprised of a broad spectrum of SME’s (Subject Matter Expert) who can vet provisions – these committees and their members are completely excluded since the International Plumbing Code (IPC) will be adopted without any review or amendments as has been done to the 2012 Uniform Plumbing Code (UPC).**
- **The public is disenfranchised by not being permitted to speak on their perspectives regarding the IPC.**



- The UPC has been used in Hawaii since the early 1970's and requires ONE book.
- Journeyman Plumbers and Contractor licensing certify competency by taking exams based on the Uniform Plumbing Code.
- Plumbing Inspectors are certified to the Uniform Plumbing Code.
- Apprenticeship and Journeyman classes are instructed on the plumbing installations based on the UPC.
- The County building department staff will have to become knowledgeable with the inspections required by the IPC and the differences between the IPC and the UPC.
- Any gain sought by the supposed “flexibility” of the IPC is already available by using UPC section 301.3 “Alternate Materials & Methods of Construction Equivalency”. Here a Building Official or Plumbing Inspector have broad discretionary latitude.
- This proposal requires acquisition of six (6) additional volumes in order to have the full set of books required to perform all plumbing applications,
 - IPC
 - IRC
 - IBC
 - IECC
 - IFGC
 - IMC
 - Plus NFPA 99 for Medical Gas systems
- The plumbing industry at large does not want a new or additional code regulating their work. This will cause an unnecessary “unfunded mandate” to the industry
- The UPC has served the industry and consumers very well and is sufficient for
 - Journeyman plumbers
 - Contractors
 - Engineers & designers of plumbing systems
 - MCA
 - PHCC
 - Trainers of apprentices & journeyman
- Cost – it is prohibitively expensive to have two (2) codes in play for all parties noted above. Bottom line, consumers will pay more...

Thank you for allowing me to submit testimony on HB 2467.

Dwight Perkins
Sr. VP of IAPMO Field Service
Dwight.perkins@iapmo.org
503-307-9944



LiUNA!

**TESTIMONY OF RYAN K. KOBAYASHI
GOVERNMENT AND COMMUNITY RELATIONS DIRECTOR
HAWAII LABORERS UNION LOCAL 368**

PETER A. GANABAN
*Business Manager/
Secretary-Treasurer*

ALFONSO OLIVER
President

JOBY NORTH II
Vice President

TONI FIGUEROA
Recording Secretary

JAMES DRUMGOLD JR.
Executive Board

ORLANDO PAESTE
Executive Board

JOSEPH YAW
Executive Board

MARTIN ARANAYDO
Auditor

RUSSELL NAPIHA'A
Auditor

MARK TRAVALINO
Auditor

ALFRED HUFANA JR.
Sergeant-At-Arms

COMMITTEE ON LABOR

NOTICE OF HEARING

DATE: Tuesday, February 13, 2018
TIME: 2:45 p.m.
PLACE: Room 224

TESTIMONY IN SUPPORT OF HB 2467 RELATING TO LABOR

**ALOHA COMMITTEE CHAIR JOHANSON, VICE-CHAIR HOLT, AND
COMMITTEE MEMBERS**

My name is Ryan K. Kobayashi, Government and Community Relations Director for the Hawaii Laborers Union Local 368. The Hawaii Laborers Union is made up of over 5000 working and retired members across the State of Hawaii, and we **SUPPORT HB 2467 Relating to Labor.**

In light of the high cost of building in Hawaii in both the private and public sectors, we support HB 2467 as it would help to lower the building costs for the State of Hawaii ultimately saving hard earned taxpayer dollars for future State (publicly) owned construction projects as well as complete renovation projects.

With several future State projects ranging from the construction of new schools, the relocation of Oahu Community Correctional Center (OCCC), Mayor Wright Housing Redevelopment, and other State planned Transit Oriented Development (TOD) along the proposed Rail line, the State has the potential of realizing a cost savings of up to 50% in labor costs in certain areas of construction alone.

LiUNA Local 368
1617 Palama Street
Honolulu, HI 96817
Phone: (808) 841-5877
Fax: (808) 847-7829
www.local368.org

Feel the Power

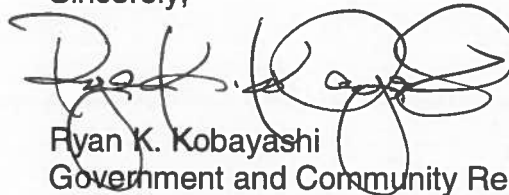
However, we would recommend a few minor changes in language to clarify HB 2467 and its purpose.

- (Page 4 Lines 7-9) The performance of the prescriptive design of the alternative code does not negatively impact the project, nor will it negatively impact public health and safety.
- (Page 4 Line 10) The alternative code is adopted in accordance with HRS 107-24.

We feel that HB 2467 is an important step in attempting to keep the construction of new publicly owned projects in the State of Hawaii affordable for both the State and the Taxpayer. Therefore, the Hawaii Laborers' Union and its over 5000 members **SUPPORTS HB 2467.**

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ryan K. Kobayashi', written over a circular stamp or seal.

Ryan K. Kobayashi
Government and Community Relations Director
Hawaii Laborers' Union, Local 368



ELECTRICAL CONTRACTOR'S ASSOCIATION OF HAWAII

NECA Hawai'i Chapter
1286 Kalani Street, Suite B-203
Honolulu, Hawai'i 96817
PH: (808) 847-7306
FX: (808) 841-8096
Email: ecah@ecahi.com



February 12, 2018

To: House Committee on Labor & Public Employment
Honorable Chairperson Aaron Johanson & Vice Chairman Daniel Holt

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

Subject: HB 2467 Relating to Labor

Notice of Hearing

Date: Tuesday, February 13, 2018
Time: 9:15 AM
Place: Conference Room 309
State Capitol
415 South Beretania Street

Dear Chair Johanson 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 is the Hawaii Chapter of the National Electrical Contractors Association (NECA). ECAH and NECA **strongly oppose** the intent and purpose of HB 2467 allowing for the application of alternative building codes. Building codes establishes the minimum standards construction projects. It's not intended to resolve or determine jurisdictional issues by the various labor organizations. There are other concerns with this measure as written. In Section 2, paragraph (6) (b), it states that, "State projects" will be subject to the use of alternative codes. Does this include all projects in the State, private and public? Also, in (6) (b) (3), it states that the alternative code is approved by the council. Which council is this, what are the criteria and who will be represented on the council to ensure an arms-length decision by an objective panel?

Speaking specifically of the electrical code, currently the National Electrical Code (NEC) is the only available code for the installation and systems of electrical work and is the industry standard with the minimum requirements for electrical safety and proper applications. While the International Residential Code (IRC) has electrical rules in Part 8, they are derived from and dependent on the NEC for residential electrical applications. The NEC is the most comprehensive electrical code available and is published every three years with updates in the interim periods. New technologies, improved materials, equipment, fixtures and methods are all incorporated into the amended codes. These changes may increase or decrease costs but never compromises electrical safety as its primary purpose. Anything else would compromise the electrical integrity of the project and the protection of the public's welfare and worker safety. There is great liability and potential legal risks by non-compliance to the NEC.

At the State level, electrical contractors and journeymen electricians must demonstrate their knowledge and proficiency in the NEC to acquire their license and every three years for their license renewal. The county electrical inspectors use the NEC as the basis for proper installations of electrical work.

Based on the above, ECAH **strongly opposes** the passage of HB 2467 and encourage this committee to stop this bill from moving forward.

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



February 11, 2018

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Aaron Ling Johanson, Chair

Rep. Daniel Holt, Vice Chair

Testimony Submittal

Re: H.B. No. 2467 Relating to labor and an Alternate Electrical Code.

The National Electrical Contractors Association (NECA) hereby formally submits testimony in opposition of Act S.B. No. 2467. There are several fundamental and serious flaws with this proposed bill. Each is worthy of serious consideration before acting on this bill.

First and foremost, this proposed act is not safety driven. It is clearly being motivated by cost and special interests. Any legislation such as this should always have the interests and safety and welfare of citizens and property first. Efficiency and cost effectiveness are already part of doing business competitively. The cost of compliance with the National Electrical Code (NEC) is the minimum cost of electrical construction in residential, commercial, and industrial projects, since the NEC contains minimum requirements for electrical safety. There is no equivalent alternative electrical code that can be used to achieve the same level of safety.

The National Electrical Code does not include requirements related to who performs the work covered in the NEC. The NEC does require that qualified persons perform the work. Qualifications of persons in the electrical field are typically covered by the respective jurisdiction and established licensing requirements for qualified electrical contractors and electrical workers. NECA supports electrical construction being performed by those qualified and trained to do so. Any effort to allow untrained and unqualified persons to perform electrical construction or electrical contracting is a risk and has consequences. Unfortunately, those consequences could impact public safety, and this is a serious consideration.

As for the alternate electrical code portion of this bill, NECA is also opposed. The following represents a few substantive reasons for the opposition. The NEC has been established and revised for over 100 years through the ANSI fully open, balanced, consensus process. The rules in the NEC are well substantiated technically and by statistics. All stake holders and the public have the opportunity for input to the NEC. There are no alternative electrical codes that provide equal and effective safety. None have been submitted for consideration with this proposed bill, or at least, none have been disclosed. Any legislation such as this should include the said "alternate electrical code" so it or they could be evaluated against the minimum NEC rules. The proposed legislation needs to be well substantiated. If this can't be successfully substantiated, it should not even be considered. It's a process. The important thing everyone involved must remember is that adopting a code by a jurisdiction should be in the interest of the safety of



buildings and citizens. Code development and adoption is a process that provides opportunity for input, not income.

The NEC has been and continues to be the industry electrical safety standard, and contains the minimum requirements for electrical installations and systems. Being the minimum, it means that one must do at least that much to meet minimum requirements for electrical safety. Anything less would compromise electrical safety and the safety of unsuspecting consumers. Adopting anything less than the NEC poses legal risks as well as risks to safety and health. There is great liability in doing so. NECA opposes such a bill that seeks to reduce cost by compromising electrical safety for citizens and buildings. It is unsupportable by anyone who is educated about such risks. Unsuspecting citizens depend on and deserve wise decisions and leadership from governing bodies that are supposed to protect them. Electricity is a powerful force that can kill and injure if not installed properly and in compliance with minimum requirements contained in the Code.

The electrical industry, including electrical contractors and electrical workers are trained to comply with the minimum NEC requirements. It is part of their training to become qualified in this field. They are not trained to electrical codes that are alternatives to the NEC. In fact, electrical contractors and electrical workers licensing exams are NEC-based, not based on an alternate electrical code.

Electrical contractors design build projects and engineer's designs are based on the minimum requirements of the NEC, not alternate electrical codes. These energy codes are often required to overlay the NEC with the minimum requirements in an applicable energy code, but not in a way that the minimum rules of the NEC are compromised or safety is compromised.

Electrical Inspection Jurisdictions utilize the NEC for plan review and inspection processes. Using anything less is a risk and jeopardizes electrical safety. Those making inspections of electrical installations and systems understand how to apply the rules in the NEC, not an alternative code. As a point of fact, the International Residential Code (IRC) contains electrical rules in Part 8. These electrical rules are actually derived from the applicable residential electrical requirements in the NEC and the NFPA holds the copyright for this part of the IRC. Adoption and use of the IRC as an alternative to the NEC for residential achieves the minimum electrical safety requirements sought by NEC compliance. The contained rules are the same and therefore so is the cost.

The latest edition of the NEC includes new rules related to energy storage, large scale PV, micro-grids, energy management, wireless EV charging, and power over ethernet (POE), to name a few. These are all technologies that will be applied and utilized in jurisdictions across the country. There are no alternate electrical codes that are as comprehensive and complete as the NEC. Jurisdictions that don't adopt the latest edition of the NEC will be challenged when



handling inspection of these systems, employing these technologies and systems because they won't have needed requirements to apply. Serious consideration should be given here relative to the safe sound growth of these newer technologies in Hawaii. These are only a few of the reasons that justify adoption and use of the latest NEC rather than the use of any alternate electrical code.

The Insurance Services Organization (ISO) rates inspection jurisdictions based on their adoption of current editions of applicable codes and standards. Jurisdictions that rate high are often rewarded with less property insurance costs to residents and businesses. It just stands to reason, because the risks are less. Compromises and adoption of alternative and less equivalent codes has the potential for not only safety risks, but increased insurance expense.

The National Electrical Contractors Association (NECA) is a founding member of the Electrical Code Coalition which includes NFPA, NEMA, ESFI, UL, IBEW, and many other organizations. One of the coalition's purposes is to effectively get involved in proposed legislation such as this and be sure to enter all the facts into the testimony for due consideration. A significant part of the coalition's mission is to support adoption of the NEC without amendment. All major electrical industry organizations have signed into this effort through proclamations (attached with this testimony). More information can be found at www.electricalcodecoalition.org.

Another coalition that NECA is a part of is the Coalition for Current Safety Codes. NFPA, ICC, NEMA, ESFI, UL, IBEW, and many other organizations are also involved, and support this coalition and its missions. One key mission of this coalition is, once again, adoption of the latest edition of applicable safety building codes and standards. More information about this coalition can be found at www.coalition4safety.org.

NECA's Standing Policy 3 deals with adoption of legislation at the state and local levels. This policy indicates that NECA and its members support adoption of the latest edition of the National Electrical Code as the minimum for safe installations. It is anticipated that some jurisdictions may amend the NEC as required, but it should not be in a way that lessens the minimum requirements set by the NEC. It is the minimum, one must do at least that much.



In light of this strong opposition, the National Electrical Contractors Association (NECA) encourages those responsible to unequivocally, and without hesitation, oppose S.B. 3006. The motives in this act are not safety driven, and the result would be legally enabling use of alternative electrical codes, that are not proven, and that have the potential to compromise electrical safety in premises wiring and safety of citizens of Hawaii. These risks are just not worth it or justifiable by any means.

Sincerely and Respectfully,

A handwritten signature in black ink that reads "Michael J. Johnston". The signature is written in a cursive, flowing style.

Michael J. Johnston
NECA Executive Director of Standards and Safety
3 Bethesda Metro Center Suite 1100
Bethesda, MD 20814
Phone: 301-215-4521
Email: michael.johnston@necanet.org

HB 2467

**LATE
TESTIMONY**

Hawai'i Construction Alliance

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

February 12, 2018

The Honorable Aaron Ling Johanson, Chair
The Honorable Daniel Holt, Vice Chair
and members
House Committee on Labor & Public Employment
415 South Beretania Street
Honolulu, Hawai'i 96813



LATE

RE: Support for HB2467, Relating to Labor

Dear Chair Johanson, Vice Chair Holt, and Members:

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Laborers' International Union of North America, Local 368; the Operative Plasterers' and Cement Masons' Union, Local 630; International Union of Bricklayers & Allied Craftworkers, Local 1; and the Operating Engineers, Local Union No. 3. Together, the member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the basic crafts of Hawai'i's construction industry.

We support HB2467, Relating to Labor. The bill would:

- Allow for state projects to be designed and constructed using the building code that is **most cost effective**, including the use of an alternative code if the alternative code is more cost effective than the code usually prescribed in HRS 107-25;
- Only allow an alternative code if there is **no negative effect on the performance of the project or public health and safety**; and
- Only allow the use of an alternative code **with the approval of the State Building Code Council**.

As you know, the Hawai'i Construction Alliance has been extremely concerned with the high cost of construction in the state, particularly for public works projects and affordable housing projects. In previous legislative sessions, we have promoted innovative solutions such as tax incentives, streamlining of procurement, and better training of workers to help ensure that projects move forward in a timely and expeditious way. **HB2467 builds upon these efforts by allowing alternative, more cost-effective building codes to be used for state projects.**

Currently, there are nationally- and internationally-recognized codes which govern fire safety, plumbing, building construction, residential construction, energy conservation, electrical installations, among other aspects of building design. Each code requires certain standards at minimum, and also allows or disallows certain other standards. These requirements all factor into the eventual cost of a building project.

Cost Savings By Utilizing One Code Over Another

The use of one code instead of another, or the flexibility to choose which code to adhere to, can reap savings.

For example, within the plumbing code, there are two codes which are used nationwide: the Uniform Plumbing Code, which is the code prescribed for use in Hawai‘i under HRS 107-25 and a handful of other states, and the International Plumbing Code, whose use is allowed in the vast majority of mainland states. States which strictly adhere to one code versus another, like Hawai‘i, prevent themselves from realizing potential cost savings from alternative codes.

To illustrate this, consider the example of an air-admittance valve, which is a method for venting a drainage system. Such valves are allowed by the International Plumbing Code, but not the Uniform Plumbing Code. States which have allowed air-admittance valves in public works projects or housing projects under the International Plumbing Code have reaped significant savings.

A study done for the construction of Ford Field, home of the Detroit Lions, showed that the choice to utilize methods from the more cost-effective International Plumbing Code resulted in hundreds of thousands of dollars in savings for just the drainage, waste, and vent piping systems alone. Another study done on a high rise in Tennessee demonstrated that use of vent systems allowed under the more cost-effective International Plumbing Code resulted in savings of over 70%, the savings from which could be passed on to future residents.

No Negative Impact on Public Health and Safety From Use of an Alternative Code

No alternative codes that might be considered under this bill would have a negative impact on public health or safety, as HRS 107-21 already requires any “codes and standards” utilized in the state of Hawaii to be “nationally recognized minimum requirements that shall be met for design and construction to safeguard life, property, and the general welfare.”

Furthermore, federal projects, which are governed by rules promulgated by the General Services Administration (GSA), are in certain instances required to utilize codes which differ from those typically prescribed for use in Hawai‘i under HRS 107-25. Federal projects in Hawai‘i which utilize alternative codes have not experienced or caused negative impacts to public health and safety for building users – whether federal employees, military members, or others.

Approval Required by State Building Code Council

The bill would require for approval from the State Building Code Council before any alternative code is utilized, thus allowing for thoughtful deliberation from all industry stakeholders.

In summary, we believe that the use of alternative codes should be encouraged and allowed to the extent that they provide options for cost-effectiveness; do not compromise public health and safety; and retain input from the State Building Code Council.

Please do not hesitate to contact me should you have any questions.

Mahalo,

A handwritten signature in black ink that reads "Tyler Dos Santos-Tam". The signature is fluid and cursive, with the first name "Tyler" being the most prominent.

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