



Statement of
thyssenkrupp Elevator Corporation
in
OPPOSITION to S.B. 2494
Senate Committee on Ways and Means

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

thyssenkrupp Elevator Corporation is one of the world's leading elevator companies. We design, build, install, upgrade and maintain smart and innovative mobility systems for a wide variety of applications in Hawaii and around the world.

Our company shares the Committee's goal to ensure that the elevator industry continues to exceed its high safety standards. However, we have grave concerns over S.B. 2494 and feel that, if enacted, it will set the state of Hawaii back several decades in terms of innovation, with no commensurate gain in safety, and raise the cost of elevator service and maintenance for Hawaii's business owners, including the state's vast tourism industry. Also, the legislation addresses training and workplace issues that have already been negotiated through the industry's Collective Bargaining Agreement (CBA) with the International Union of Elevator Constructors (IUEC), of which thyssenkrupp is a signatory.

Thank you for the opportunity to provide our expertise on elevator safety issues. We look forward to working with you to ensure the continued safety of our mechanics and the riding public.

Increase of Training Hours Unnecessary and Penalizes Assistant Mechanics

Safety has always been one of thyssenkrupp Elevator's primary goals. As such, we actively support stringent safety standards and licensing requirements to ensure our mechanics are able to meet the needs of Hawaii's building owners and the riding public. Currently, the IUEC program, administered through the National Elevator Industry Education Program (NEIEP), provides a minimum of 8,000 hours of on-the-job training (in addition to classroom training) through an apprenticeship program. By the time an individual has completed the requirements and passed the exam, they are highly skilled mechanics. There is no indication that our current mechanics are undertrained or that the requirement of an additional 1,000 hours would correlate to improved safety.

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thyssenkrupp

Once an apprentice completes the minimum training requirements (established through the CBA), he/she is able to sit for the exam. By requiring an additional 1,000 hours of on-the-job training, you would impede them from becoming fully licensed mechanics and delay their 20 percent salary raise. You would also delay entry into the workforce of qualified mechanics, further exacerbating Hawaii's workforce shortage.

Remote Interaction Requirements Impede Innovation and Safety and Raise Costs

For the past several decades, thyssenkrupp Elevator – and our competitors – have been working to develop and improve technology to monitor and assess all of the elevator equipment we put into service. These technologies allow us to perform much more preventive and predictive maintenance. By learning from machine data as to when adjustments or replacements of parts are needed before their end of life, our elevators are more reliable with less down time and less emergency calls.

There are clearly a wide array of tasks and qualifications to complete each task. Some of these are jobs for licensed mechanics, while others may be jobs for professional engineers or software developers, none of whom needs to be onsite to collect and analyze the data. The over-simplified approach outlined in S.B. 2494 is misguided and dangerous. With no safety data to indicate that this would benefit the industry and the state's businesses, it is irresponsible to dictate these complex issues through the legislative process. This bill would set innovation back by twenty years to "fix" a nonexistent problem. Also, consumers would see higher costs if licensed mechanics were required in all instances.

Thank you again for the opportunity to submit our comments on S.B. 2494. Leif Kjonsgaard is available to answer any questions you may have as the Committee works to address these important issues. He can be reached at 808-839-8122.

Best regards,



Leif Kjonsgaard
Branch Manager, Honolulu Hawaii

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**Schindler Elevator Corporation Comments in
OPPOSITION to Hawaii S.B. 2494
February 12, 2018**

Schindler is one of the world's leading providers of elevators, escalators, and moving walks, as well as maintenance and modernization services. Schindler manufactures, installs, services and modernizes elevators, escalators and moving walks for almost every type of building requirement worldwide, including Hawaii. Schindler strongly encourages the Committee to disapprove S.B. 2494 for the reasons outlined below.

Safety for the riding public and industry workers is very important to Schindler. We believe the best way to ensure safety of the public and industry workers is to maintain the current requirements and disapprove the changes proposed by S.B. 2494. Schindler supports the licensing requirements that are currently utilized by the state of Hawaii which set minimum requirements for training and continuing education of elevator mechanics. These current requirements are consistent with those used in other states and with the requirements outlined in the industry's collective bargaining agreement ("CBA") with the International Union of Elevator Constructors ("IUEC"). No substantiation has been provided to support any increase in safety or other benefit from the proposed rule. Schindler encourages the Committee to disapprove the changes and retain the current requirements.

This bill also attempts to legislate requirements that are already part of the CBA. This could adversely impact the collective bargaining rights of both the workers and signatory companies. These issues should be dealt with in the bargaining process and not the legislature.

The proposal, S.B. 2494, would establish new requirements that would significantly impact the elevator industry in Hawaii without any support for this proposal. Increasing the minimum training requirement from 8,000 to 9,000 hours is unnecessary and there is no evidence that it will provide any benefit. The current requirement of 8,000 hours has been utilized for many years and is consistent with the requirements in other states and in the CBA with the IUEC. Changing the requirement will negatively impact industry workers in Hawaii who have recently completed or are currently participating in the industry training programs. It could also discourage workers from seeking positions in Hawaii. This could have significant effect on the availability of a trained workforce in the state.

The bill also includes requirements that would require licensed mechanics to perform work currently performed safely and more economically by other personnel. This is specific to the

requirement for an elevator mechanic to be onsite for "remote interaction" to occur. Remote monitoring of equipment has been around for approximately 35 years and is a means to identify potential issues and alert companies before a problem occurs. This can protect the equipment, reduce the costs of maintenance and repairs, and correct issues that may otherwise result in equipment being taken out of service. Remote monitoring occurs 24/7 and having a mechanic on site to monitor the equipment is not feasible.

In summary, Schindler strongly encourages the Committee to disapprove the proposed bill and retain the current requirements. No substantiation has been provided for the proposed rule and it unnecessarily expands the requirements beyond those found in other states and in the CBA. In addition, Schindler is a member of the National Elevator Industry, Inc. (NEII) and supports the comments provided by NEII regarding the bill.

Thank you for the opportunity to provide our comments on this matter. Please feel free to contact me via phone 808-265-7872 or email landon.mizuguchi@schindler.com if you have any questions or would like more information.

Sincerely,

A handwritten signature in black ink, appearing to read "Landon Mizuguchi". The signature is fluid and cursive, with a large, rounded flourish at the end.

Landon Mizuguchi
District Manager