

Kelepona Leo

IBEW Local Union 1357



"an informational newsletter published quarterly for the direct benefit of our members, for solidarity, security and family – today and tomorrow"

Business Manager's Message

My Fellow Union Members,

Much has happened over the past five months --- in the Company, in our Union and in our community. The shutdown of Aloha Airlines' passenger service, in particular, has left many reeling in fear and uncertainty over our futures. But, there is renewed hope for us in the recent developments at Hawaiian Telcom. And with education and the facts will come the assurance that we really are okay.

Here are some highlights:

- Hawaiian Telcom announces the selection of its new CEO --- Eric Yeaman, a 40-year old local boy from Honaunau, and current Senior Executive for Hawaiian Electric Industries, was selected to succeed Steve Cooper as HT's CEO. Yeaman will take office on June 16th. The Company also announced the appointment of interim CFO Bob Reich to the CFO position, and current HT Board member Walter Dods to Chairman of the Hawaiian Telcom Board. These are all positive steps to bring us back to where we were three years ago --- at the top of the heap!
- Hawaiian Telcom began its reorganization plans in the 4th quarter of last year, and also did a Voluntary Incentive Plan this year. If you add to that the layoff of the 50 management employees and the exit of Labor Relations Director Gerald Okamoto, Human Resources VP Claire Cooper, CFO Paul Sunu, COO Harvey Plummer and CEO Michael Ruley, you can see that Hawaiian Telcom's leadership has been in a state of disarray and unable to meet on bargaining issues. But, the Company has committed to move forward on negotiations as soon as it's able.



- The constant changes at HT, coupled with what's going on in the community, have had a tremendous impact on the morale of the membership. But, the staff and I have met with various work groups throughout May to help provide direction and support. Discussions have centered on the following:

1. We need to provide the best quality and service with the products that we currently have. This will keep us in the forefront until the new products and services can be integrated.

2. Continued responsible behavior --- be safe; participate in the He'e program; if you are going to deviate from policy, make sure you notify your supervisor; make sure we meet all PUC requirements; and help your fellow Brothers and Sisters who are struggling.

- Bargaining --- with the management team overextended, earlier layoffs and incentive packages, the reorganization and the recent appointment of a new CEO, the Company has committed to begin bargaining in June. Moving forward, HT members must be focused on the customer as the Union team prepares for bargaining. Members must stay involved, informed and supportive of the bargaining

team and each other. We will continue to schedule meetings with the various groups. But, if you have any questions or concerns, please do not hesitate to attend your Unit meetings, check out the IBEW hotline, visit our Union website, read your Kelepona Leo, or call the Union Office.

- Since taking office, Local Union President Ted Furukado has initiated an aggressive educational regimen for Local 1357's leadership. From day one, with Executive Board training, President Furukado has provided support and direction for a variety of programs and activities, e.g. Steward Responsibility training, Staff C.L.E.A.R. classes, Trial Board and Unit Officer training; participation in various IBEW International initiatives, such as Membership Development Council conferences, Local Union Registrar training, etc.; and he is committed to ensuring that we are learning and staying abreast of all that is happening within the industry through participation in Progress Meetings, Telecommunications Conferences, etc. With all of the instability within Hawaiian Telcom, the value of training and education to support the membership, the Local and the International is imperative as we prepare for bargaining. And President Furukado still has several other initiatives in the development stages for the rest of the year and into 2009.

- PTI agrees to manage Hawaiian Telcom's Directory Services business --- Metro One recently announced the closing of its Hawaii office, leaving HT scrambling to maintain service for the state of Hawaii. Because of the short

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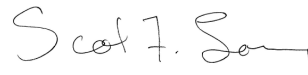
Important Notice: This issue contains an insert with important information about rights under the Group Life Plan & ERISA which should be read and retained for future reference.

Continued from page 1 BM Message

time frame, HT does not have the equipment or resources to stand up the business; nor does any other vendor in the state. However, PTI on Saipan does. And our Unit 10 members will do an exceptional job of servicing our Hawaii community, despite the distance. PTI CEO Larry Knecht anticipates the potential for 20 Union jobs with the new agreement. He also notes that the transition of PTI's recently purchased IT&E will be quite burdensome. They will be migrating HR functions, as well as benefits, between Saipan and Guam while they develop other telecommunications synergies for the two companies. We will be asking Unit 10 Chairman Ray Tenorio and Recorder Velma Fleming to assist the Local with its organizing of the new employees.

As members of a strong, proactive Union, we are blessed to have all the benefits that we enjoy and a dedicated Union leadership that works round the clock to ensure that our members are taken care of. That is so much more than many in our community have. So, whenever you have the opportunity to help others in need, jump at the chance. And stay in constant prayer for us all. God will see us through.

Be well,



Scot F. Long
Business Manager-Financial Secretary

TO: Participants in the IBEW Local 1357 Insurance Trust
FROM: IBEW Local 1357 Insurance Trust
SUBJECT: SUMMARY ANNUAL REPORT

The Employee Retirement Income Security Act of 1974 (ERISA) requires that employee benefit plans file an "Annual Return/Report" with the Internal Revenue Service. In the Annual Return/Report, we detailed the financial status of our group life plan and other facts pertinent to the funding and administration of the plan.

ERISA also requires that all plan participants and beneficiaries be given, each year, a summary of the Annual Return/Report which we filed for the plan year. The following information is the required summary of the Annual Return/Report we filed for the plan year, which ended September 30, 2007.

We recommend that you read the Summary Annual Report and keep it with your other employee benefit materials.

**SUMMARY ANNUAL REPORT FOR
IBEW LOCAL 1357 INSURANCE TRUST**

This is a summary of the annual report for the IBEW Local 1357 Insurance Trust EIN 99-0144828, a group life plan, for October 1, 2006 through September 30, 2007. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

INSURANCE INFORMATION

The plan has a contract with Pacific Guardian Life to pay certain life insurance benefits incurred under the terms of the plan. The total premiums paid for the plan year ending September 30, 2007 was \$22,488.

Of the total insurance premiums paid for the plan year ending September 30, 2007, the total of all benefit claims paid under this contract during the plan year was \$22,255.

BASIC FINANCIAL STATEMENT

The value of plan assets, after subtracting liabilities of the plan, was \$315,119 as of September 30, 2007, compared to \$317,617 as of October 1, 2006. During the plan year, the plan experienced a decrease in its net assets of \$2,498. During the plan year, the plan had total income of \$48,879 including employee contributions of \$52,659, earnings from investment of \$19,393, and a reduction of \$23,173 for premium reserve funds. Plan expenses were \$51,393, and a reduction of \$23,173 for premium reserve funds. Plan expenses were \$51,376. These expenses included \$11,442 in administrative expenses and \$39,934 in payments to the insurance carrier to pay benefits to participants and beneficiaries.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full annual report, or any part thereof, on request. The item listed below is included in the latest annual report:

-Insurance information including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write or call the office of the IBEW Local 1357, the plan administrator, at 941-7761. The charge to cover copying costs will be \$1.50 for the full annual report, or \$.10 per page for any part thereof.

IBEW Broadcasting, Manufacturing and Telecommunications Conference 2008

Local 1357 was represented at this year's Fall TCC Meetings and Telcom Conference by President Ted Furukado and Assistant Business Manager Julia Kaupu.

It has been a busy five (5) days of Conference sessions for Julie and me. We've attended eight (8) sessions over the last five days, not to mention 19½ and 25 hours of travel. The Conference is being held at Harrah's Resort Atlantic City, New Jersey. It's been quite an experience for me (my first TCC) to meet and talk to other members from Verizon, FairPoint, Embarq, Sprint, Comcast, Cox, Time Warner and other cable people, as well as people from broadcasting.

On Monday we attended the TCC-2 (which we were a member of prior to the sale to The Carlyle Group) pre-conference meeting as guests. TCC-2 Chairman Myles J. Calvey of LU 2222 welcomed us to participate as former members. During the pre-conference meeting the discussions focused on issues like mandatory OT, disciplinary issues, contracting, not back-filling jobs and a lack of cooperation from the employers outsourcing work, etc.

We are a member of TCC-1 council but at the pre-conference meeting on Tuesday May 6, 2008, the council motioned, seconded and accepted to disband the TCC-1 due to the dynamic changes to the industry and individual companies. International Representative Harold Dias Jr. was present at this meeting and posed the question to TCC-1 Chairman Ron Kastner, "Who will we be a part of?" Ron didn't know and referred us to Martha Pultar, Director IBEW Telecommunications Department. At the same time TCC-2 Chairman Myles Calvey said the TCC-2 would be more than happy to have us join them, and he will also appeal our case to the Director. Stand by.

In Wednesday's General Session, which includes all the Councils, we heard messages from International President Edwin Hill, Secretary/Treasurer Lindell Lee and General Counsel Laurence Cohn. President Hill maintained his position on partnering with employers, discussing how he will be meeting with Verizon and discussing their understanding of the partnership. He also touched on the "IBEW Code of Excellence" and growing the membership. President Hill also explained the Union's (neutral) position on endorsing of the Presi-

dential candidates (Hillary and Barack). Secretary/Treasurer Lindell Lee addressed the session with a message of how he will be working diligently as our new Secretary/Treasurer, citing he has big shoes to fill since the retirement of former Secretary/Treasurer Jon Walters. Secretary Lee has been a member for 39 years and he voiced how important it is to be active in the political arena and to stay informed. He also touched on the Union's National Medical Plan. IBEW Legal Counsel Laurence Cohn spoke about the changes to the laws that seem to be an unrelenting war against employee's rights from the NLRB. He also spoke on the 300 appointments to the bench and how it has affected decisions in the courts.

Thursday's morning session covered various topics such as LM30 and Taft-Hartley Act Section 32, Activism in the political arena, Canadian report and TCC-1 and 2, CCC-1 and TCC-7. The afternoon sessions had four (4) workshops; we attended three (3) of the four (4), one of which was about IBEW National Healthcare Plan. The plan is underwritten by Blue Cross Blue Shield of Georgia. IBEW currently has 13,000 participants from 35 Locals; coverage includes a PPO, Pharmacy and Dental plans.

Friday's General Session was highlighted with a presentation by David Potts-Dupre (IBEW Benefits Counsel) on the Pension Protection Act (PPA) of 2006. He gave us an overview of the new changes, requirements and values to the PPA and pensions funds. He spoke about the change from Treasury rates to Corporate bond rates and the effect it would have on pensions.

This has been a very important educational conference in totality. It's imperative that we continue to attend these conferences and meetings to stay well informed and educated on a multitude of issues. The next meeting will be in S. Carolina in October.

Fraternally,



Ted M. Furukado
President



HAWAIIAN TELCOM RETIREE MEDICAL
By Julie Kaupu, Assistant Business Manager

The information provided in this article is for HT retirees and potential retirees.

When you notify Hewitt of your intent to retire, as part of your retirement packet, you will be asked to identify the health plan that you want. Even if you elect to retain the same plan that you have as an active employee, you must still make an election. If you do not, you stand the risk of not having **any** retiree medical as HR and we assist you in correcting the matter with the Benefit Center.

For our retirees who participated in open enrollment for plan year 2008, you all know how trying that was because of the application of the VEBA II MOA. For our potential retirees, study the MOA that is found on pages 185 – 188. The language found in the agreement was bargained in the 1996-1999 agreement. You must have an understanding of the language as you look towards retirement.

The VEBA II MOA specifies several things i.e. the percentage amount the Company is responsible to pay and likewise, the amount the retiree will pay. The MOA also establishes caps. Caps were established to indicate the maximum amount the Company would pay towards the retiree’s premium payment. Every year, the Company negotiates with the health care provider for premium costs. There are five health plans offered by Hawaiian Telcom - HMO Hawaii, HMSA PPO \$100, HMSA PPO \$150, HMSA PPO \$350 (the Company Medical Plan) and Kaiser.

Effective plan year 2008, the Company (in their own words) moved towards a “different rate application for active employee and retirees, in order to ensure the appropriate benefit costs are applied to the right population. Both HMSA and Kaiser calculated retiree rates for our groups based on the demographics of our retiree population and our group’s experience.” In other words, the retiree’s cost is no longer subsidized by the active employees rate plans. The outcome of that move was an approximate increase in payment cost for the retiree upwards of 200% or greater.

- In calculating your payment portion, there are several variables you need to know:
- The annual retiree premium cap (either single, retiree plus one dependent or family coverage) the Company pays for your premium (based on your years of service)
- The annual retiree premium cap for your payment
- The monthly cost of the HMSA \$350 cost (according to the type of plan you selected)
- The percentage amount you pay towards the premium
- The premium amount in excess of the premium cap
- Subtotal monthly retiree cost share
- The difference between \$350 PPO plan cost and your selected plan cost
- The Company will provide you with the cost of each plan by coverage tier i.e. retiree only, retiree + spouse, retiree + child(ren) and retiree + family. They will also provide you with the monthly premium cost for each health plan and each coverage tier within each health plan.

Listed below are the 2008 premium rates:

<u>Health Plan</u>	<u>Coverage Tier</u>	<u>2008 Monthly Premium</u>
HMO Hawaii	Retiree only	\$ 396.56
	Retiree + spouse	\$ 908.14
	Retiree + child(ren)	\$ 753.50
	Retiree + family	\$1,265.02
PPO \$100	Retiree only	\$ 412.06
	Retiree + spouse	\$ 943.64
	Retiree + child(ren)	\$ 782.96
	Retiree + family	\$1,314.46

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PPO \$150	Retiree only	\$ 378.80
	Retiree + spouse	\$ 867.48
	Retiree + child(ren)	\$ 719.76
	Retiree + family	\$1,208.36
PPO \$350	Retiree only	\$ 353.78
	Retiree + spouse	\$ 810.20
	Retiree + child(ren)	\$ 672.24
	Retiree + family	\$1,128.58
Kaiser	Retiree only	\$ 420.00
	Retiree + spouse	\$ 814.00
	Retiree + child(ren)	\$ 814.00
	Retiree + family	\$1,174.00

Listed below are the premium rate caps by coverage category. The initial calculation of each retiree's contribution is based on the premium for the HMSA \$350 PPO Plan, which is also known as the Company Plan or base plan. Any difference between the cost of the HMSA \$350 PPO Plan and the plan a retiree elects is the responsibility of the retiree and will be billed to the retiree.

<u>Coverage Category</u>	<u>Capped Retiree Medical Benefits Premium</u>
Retiree only (primary coverage)	\$ 5,124
Retiree plus one dependent	\$10,236
Family coverage	\$11,340
Medicare covered retiree (per eligible life)	\$ 1,354

Here are two examples of cost-share calculations based on different coverage scenarios:

Example 1: Retiree Joe has a retiree contribution amount of 10% and is enrolled in the HMSA PPO \$100 plan, family coverage.

Calculation of maximum monthly employer contribution:

Annual retiree premium cap (family)	\$11,340.00	
Multiplied by company cost-share 90%	x.90	
Annual retiree premium cap for 'Retiree Joe'	\$10,206.00	
Divided by 12 months	12	
	\$850.50	(a)

Calculation of retiree cost-share:

Monthly HMSA \$350 PPO cost (family) base-plan	\$1,128.58	(b)
Multiplied by retiree cost-share 10%	x.10	
Subtotal monthly retiree cost-share (base plan)	\$112.86	(c)

Calculated Monthly company contribution using the HMSA \$350 PPO family plan cost (b less c)	\$1,015.72	(d)
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Premium amount in excess of premium cap (d less a)	\$165.22
Plus subtotal monthly retiree cost share (c)	\$112.86
Plus difference between \$350 PPO and \$100 PPO	\$185.88
Monthly retiree cost-share	\$463.96

Since the calculated monthly contribution (d) is more than the maximum monthly company contribution (a), retiree Joe's cost

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share is \$463.96 [the difference between the monthly premium for the HMSA \$100 PPO family plan of \$1314.46 and the maximum monthly company contribution (a) which includes the cost in excess of the premium cap in addition to the difference between the cost of the Company plan and the plan the retiree is enrolled in].

Example 2: Retiree Ted has a retiree contribution of 40% and is enrolled in the HMSA PPO \$350 plan, single coverage.

Calculation of maximum monthly employer contributions:

Annual retiree premium cap (single)	\$5,124.00
<u>Multiplied by company cost-share 60 % x.60</u>	
Annual retiree premium cap for Retiree Ted	\$3,074.00
<u>Divided by 12 months</u>	12
Maximum monthly company contribution	\$ 256.20 (a)
Monthly HMSA \$350 PPO cost (single)	\$ 353.78 (b)
<u>Multiplied by retiree cost-share 40%</u>	x.40
Monthly retiree cost-share	\$ 141.51 (c)
Actual monthly Company contribution (b less c)	\$ 212.27 (d)

Since the actual monthly company contribution (d) is less than the maximum monthly Company contribution (a), Retiree Ted's cost share is \$141.51.

Here's a good to know fact: retirees who have another source of health coverage for themselves or their dependents may opt-out of their HT retiree coverage and enroll at a later date. Re-enrollment in the HT coverage for retirees and dependents may occur during any annual enrollment period **or if you lose your coverage provided re-enrollment is requested within 31 days from the date the other coverage is lost.** Keep in mind that if you are late and try to re-enroll beyond the 31 days, you will be denied coverage until the **next** open enrollment period. Open enrollment normally occurs in the month of November for the upcoming plan year.

Another fact to know: Retirees age 65 and older are transferred or enrolled in a Medicare Supplemental plan. Medicare parts A and B are deducted monthly from your Social Security check and by contract, Part B is refunded to you by the Company. Retiree enrollment in Medicare part B is required for supplemental coverage. When you initially apply for Social Security benefits and are offered Part B, if you don't sign up for the coverage at the initial offering, the plan will be more expensive to sign up at a later date. Retirees will be billed a minimum of \$15 monthly by the Company for the cost of the Medicare supplement coverage. You may be billed more dependent upon your selection of Medicare plan. It will behoove you to check out which Medicare plan includes prescription coverage.

As you can see, the cost to provide medical for the active employee as well as the retiree can be very costly. Every year, as medical costs rise, premium costs will increase. Your Union will continue to discuss the best benefit level for all of our people, will continue to work with the Company whenever issues arise and constantly search for alternative ways to provide the best medical care possible for our members.

IMPORTANT DATES TO REMEMBER:

Primary Election: Saturday, September 20, 2008
Deadline to Register: Thursday, August 21, 2008

General Election: Tuesday, November 4, 2008
Deadline to Register: Monday, October 6, 2008

Visit the Union's website to download registration forms.

LOOKING FOR RETIREES

In order to fully support our Retirees, President Furukado is looking for volunteers to serve on an "Older Members Committee".

All those interested please call the Union Office, 941-7761 or (800) 994-4239.



IBEW 1357 SCHOLARSHIP GOLF TOURNAMENT



Date: Saturday, August 30, 2008
Where: Makaha Resort & Golf Club
84-626 Makaha Valley Road
Check - In: 6:15 am
Tee Time: 7:00 am

Registration Deadline: August 8, 2008

- PLATINUM SPONSOR: \$4,000
Includes: (3) players, Hole Sponsorship, Polo Shirts, Gift Bags & Luncheon
- GOLD SPONSOR: \$2,000
Includes: (1) player, Hole Sponsorship, Polo Shirt, Gift Bag & Luncheon
- INDIVIDUAL: \$125 1 2 3

METHOD OF PAYMENT: Cash or Check
Payable to: IBEW 1357
2305 S. Beretania Street Rm 206
Honolulu HI 96826

- ENTRY FEE INCLUDES:
- Green fees, awards, luncheon and entertainment
 - All participants receive a gift bag
 - Closest to the pin

- FORMAT:
- 3 - Member Team Best Ball Scramble
 - Handicap: Men - 28 (max) Women - 36 (max)

REGISTRATION DETAILS:

Player #1: _____

Company: _____

Address: _____

Phone: _____ Handicap: _____

Player #2: _____

Address: _____

Phone: _____ Handicap: _____

Player #3: _____

Address: _____

Phone: _____ Handicap: _____

Hotel Rooms available at Makaha Resort (Friday, 8/29 - Monday 9/01) limited availability. Call the Union Office for more information.

For more information contact Kimi Koge at the Union Office: 941-7761.

International Brotherhood of
 Electrical Workers
 Telephone Local Union 1357
 2305 S. Beretania St. Rm. 206
 Honolulu, HI 96826

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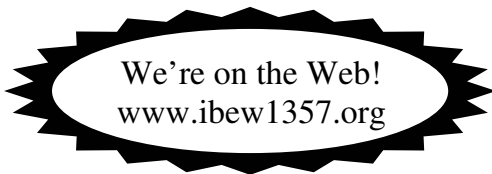
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After Hours Phone Extensions:

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Allen Yamashita	ext. 227
Andie Kahakui	ext. 225
Kimi Koge	ext 226



Unit Meeting Schedules

Unit 1 - Honolulu

3rd Monday
 6:00 PM
 IBEW LU 1260 Meeting Hall
 2305 S. Beretania Street

Unit 2 - Maui

3rd Wednesday
 5:00 PM
 Kupau Hall
 330 Hookahi Street

Unit 3 - Hilo

4th Friday
 5:00 PM
 HELCO Union Hall
 535 Oceanview Drive

Unit 4 - Kauai

4th Tuesday
 5:00 PM
 ILWU HALL
 4154 Hardy Street
 Lihue

Unit 5 - Kona

3rd Tuesday
 4:30 PM
 Old Kona Airport Large Pavilion

Unit 6 - Kamuela

3rd Wednesday
 5:00 PM
 Location to be announced

Unit 7 - Molokai

3rd Thursday
 12 Noon
 Location to be announced

Unit 8 - Windward, Oahu

3rd Thursday
 6:30 PM
 Makule Clubhouse Keaahala Rd.
 across from Kaneohe Playground

Unit 9 - Leeward, Oahu

3rd Monday
 6:30 PM
 Manana Elementary School,
 Multi-Purpose Dining Room

Unit 10 - Saipan

3rd Sunday
 12 NOON
 Location to be announced



Contributing Editors:

Summer Balocan, Ted Furukado, Kimi Koge, Nadine Kaneakua Long and Scot Long