

BUSINESS MANAGER'S REPORT

April 1, 2011

1. It was 5 years ago today when the infamous Hawaiian Telcom system cut from Verizon happened. Ever since that day, things have gone, and continue to go, downhill. From being on the cutting edge of training, products, marketing, benefits, supervision, resources, technology to what we have today; a shell of a Company: overworked employees, poorly maintained equipment and facilities, more contractors than ever, assaults on the Collective Bargaining Agreement, assaults on our benefits, and a continuous assault on our members. 5 years of turmoil.

It has been a continuous battle for our Union as we try to balance our members' security, while practicing fundamental fiscal restraint. In 2010, the staff cut expenses by \$200k in order to address the pressing issues of Litigation, Training, Organizing, Retirements and Bargaining. Unfortunately, when you look at the Hawaiian Telcom team, the only restraint they have been using is holding off on hourly backfills. You would hope that the management team would take a page from the Union's playbook and forego their bonuses and rollback their salaries. Instead, what they do is cut our benefits, raise the medical premiums and spend more money on overtime and outsourcing. Meanwhile, they are still collecting their

multimillion dollar salaries and bonuses. Where we have lost over 300 members since 2005, the HT management team continues to grow. With the recent hiring of COO Kurt Hoffman, many questions surround the need for a COO as we have not had one under the VZ days nor under Eric's leadership. This is HT's haunting refrain: "Hoomaka Hou".

In spite of all of the turmoil going on in the Company, and in the toughest of economic times, our members have not experienced any reductions in force or furlough days mandated. Our members recently received their TPA payout. This is not by accident. Our members and our administration have been committed to responsible behavior since day one and the benefits, pay and quality of life that we all enjoy are as a result of that commitment. Bargaining will be starting in August and we ask our members to prepare to stand up for what they have earned.

2. With the changes going on in the IT&E leadership, and with the Teamsters trying to organize the Guam employees, the administration continues to find firm ground while battling its competitors. International Representative Harold Dias, Jr. and I will be heading to Guam and Saipan in May to do some training, organizing and bargaining. We will be working with Unit 10 Chairman Hector Venus on bargaining preparations.

3. With our recent travels to the Ninth District Business Managers and Progress Meetings, many discussions have centered around what is happening to Labor in Ohio, Michigan and Indiana. With Republicans taking away government workers' right to collective bargaining, their efforts may have actually backfired against them, as it has galvanized the Democrats and Moderates. Just as we in Hawaii have seen a big difference with the Lingle administration gone, we need to do the same nationally.

Speaking of which, our Sick Leave Bill SB1076, SD1, HD2, has been heard by Judiciary Chair Marcus Oshiro, with Director of Labor Dwight Takamine, 1260 Business Manager Lance Miyake and myself personally testifying at the Capitol. The Bill is headed to conference.

4. We have hired a new Staff Assistant, Yi Lu He (Larissa), to fill the vacancy left when Helencia Madarang returned to Hawaiian Telcom. Larissa is a recent honor graduate student of UH-Manoa, where she majored in accounting. Her functions will be primarily working on the data base and providing membership support. We are blessed to have her on our team. Please welcome Larissa aboard.