

BUSINESS MANAGER'S REPORT

January 7, 2011

1. With the inclement weather, Hawaiian Telcom employees having been working feverishly to restore customer service. System problems, training issues, limited equipment and supplies, no backfills, contractors, legal problems, a new Board of Directors, changes in the Administration, etc., coupled with the weather, have caused HT a problem in keeping the lights on. We have cautioned the Administration about compromising the present and mortgaging the future and it now looks like we are heading into the perfect storm. Under these adverse conditions, I ask our members to look at the management team's current behavior and start holding them accountable:

- Vacation and medical benefits for our members serving in the armed forces under pressure
- Commitment to restoring the full Lump Sum option limited
- Suspending of the Lifelong Learning funding
- Rising medical cost for actives and retirees
- Supervisors' support to ensure we are the most competitive Company almost nonexistent.

Through it all, our membership has been resilient in meeting these challenges head on. With the increase in the current workload, I ask our members to continue to stay focused on our Union values. First and foremost, be safe out there, continue to provide

the best quality of service that we can to the customer, and help your fellow Sisters and Brothers out. Our unification will be tested at the bargaining table this year and, as a Union, we need to strengthen our resolve in order to continue to enjoy the benefits and quality of life we currently have. Happy New Year!

2. Our Saipan Brothers and Sisters also have their challenges in the CNMI, having to live in a depressed economy and working in a Right to Work environment. The CBA for our Unit 10 members expires in January of 2012 and I am tasking our Unit 10 Chair and members to sign up as many members as they can before we start bargaining. We are currently trying to do some organizing in Guam, as well, and together in solidarity we will work on getting a good contract for our members. I will be meeting with Larry Knecht next week and will have preliminary bargaining discussions.
3. Finally, I would like to thank President Hill, IEC member Lavin, International Vice President Mowrey, International Representative Dias, my Staff, President Furukado and the Executive Board, all of the Unit Chairs and Committee members, my Stewards and our Membership for all of the good work you have done this past year. It has been a challenge for all Unions, but I believe that through all of your hard work you have made a difference for all of our IBEW members and their families. God bless you all!