

# BUSINESS MANAGER'S REPORT

June 3, 2011

---

1. Hawaiian Telcom has advised the Union that they will be implementing a force reduction. We have not gotten the specific areas affected, but will be meeting with the Company soon to discuss details.

We have asked the Company to provide us with the outsourcing contracts going back to 2005 (we have lost over 300 members since then). Although they continue to tell us about landline losses, they fail to accept responsibility for the poor decisions made by the Senior Management Team, as confirmed by the revolving door on the 17<sup>th</sup> floor. We have shared with our membership the multiple initiatives that the Union has taken to address the Company's concerns on: Benefits, Revenues, Attendance, Politics, Policy, Responsible Behavior, Outsourcing, Training, etc., only to see a consistent rejection of the Union's offers of help. Now our membership is faced with the residual effects of an Administration that has refused to maximize all opportunities to position the Business.

Having said that, we have contacted our Attorney and our International Office and are hoping to meet with the Governor to make sure we minimize the impact on our members.

Our Collective Bargaining Agreement will expire this September, and in anticipation, we have met with the Federal Mediators. Given the history of this Administration, we anticipate a difficult bargaining session. We realize that these are difficult times, and we prepare to hold the Company accountable on the bargaining table. We thank our members in advance for being responsible, and for their patience. Local, local, local!

2. The Union has been in contact with IT&E COO Joseph Camacho and we have had some preliminary discussions about bargaining for our Unit 10 members. We have also stepped up our organizing efforts on Guam in spite of the CEO's and COO's resistance. With the help of Unit 10 Chair Hector Venus, we are spreading the voice of Unity and Dignity for all workers not only in the CNMI, but in Guam as well. The Collective Bargaining Agreement expires in January of 2012.
3. Finally, we just celebrated Memorial Day and it is with extreme reverence that I state how grateful I am to the men and women who have fought for our freedom. Freedom truly has its cost. We hope that you will take the time to enjoy the upcoming King Kamehameha Day holiday, and to give thanks to the Lord for all the blessings we have.