

BUSINESS MANAGER'S REPORT

March 11, 2011

1. IBEW Local Union 1260 members have been on strike since last Friday and will be voting to ratify the latest Tentative Agreement between the Company and the Union. The biggest issues on the table were Pensions, Medical for Actives/Retiree, Employee discounts and Wages. Politicians and the media have chastised our members for putting the public at risk, but here are a few facts that we have been sharing with them:
 - The CBA was due to expire on October of 2010
 - Notification of cuts to the management's benefits happened pre-bargaining
 - HECO management had been conducting strike drills since December
 - HECO had contract supervisors from the mainland on premise in January
 - Business Manager Lance Miyake had exhausted all recourse before calling a strike (solicited a strike authorization vote before negotiations, requested that the International sanction their strike request, took the first HECO Tentative Agreement out to the membership (which they rejected).
 - Then took another strike vote out to the membership, which they overwhelmingly supported.

It was not until CEO Rosenblum refused to show up at a bargaining session did the Business Manager call the strike, because at that point the CEO is basically telling the employees, telling the public, and telling the State we are done. The Company has since moved on some issues and

thus our Sisters and Brothers will be voting on the package. Thank you to all of our members who have supported our 1260 Brothers and Sisters in their quest to maintain a decent quality of life for themselves and their families.

2. We have recently received an election hearing notification from the Department of Labor advising us that the Teamsters Local 986 has signed up potential members for IT&E on Guam. We are currently reviewing jurisdictional issues with our International Office, as well as the Company.

International Representative Harold Dias, Jr. and I are scheduled to go to Guam and Saipan in May to conduct Steward/Officer training, follow up on organizing leads, and try to start bargaining.

We would like to thank Unit 10 Chair Hector Venus and the Executive Committee members for their support in helping our members.

3. We have seen with our sister Local the mainland style of running the Company. Cutback here and inefficiencies there, yet no cuts in the Administration's pay. Their CEO, who has been here for 2 years, is making over \$2 million a year. It takes some of our members 30 years before we can even get a quarter of the benefit that the CEO makes.

We have asked Hawaiian Telcom on several occasions dating back to '08 to start early bargaining, but unfortunately they were not willing to engage. At every level HT employees are continuing to see the deterioration of services and support from the Administration. Our members need to continue to embrace the Union principles and values that we have set since day one:

- Help your Sisters and Brothers out and get involved with your Union (Stewardship, PAC, Units, etc).
 - Do the best job that you can do in terms of quality and safety and make sure we continue to provide great customer service. Do not deviate from practice or policies. And if you have an issue, notify your sup right away.
 - Union Pride (wear your shirts in solidarity)
 - Educate yourselves about what is going on in your industry. We must separate ourselves from contractors or competitors.
 - Be responsible: Use our products and services; come to work and come to work on time; give an honest day's work for an honest day's pay. Stay in touch with your Union through the Kelepona Leo, the Union Hotline, the Stewards and officers, the Union website, and of course you can always call the Union Office for help.
4. Finally, HT continues to use contractors to augment the workforce. Although we do not agree to the use of contractors, we understand the needs of the business. Our members in the affected areas are working 6 days a week and 10 hours a day. We are working with the Company to balance the customers' needs, as well as our members' needs, as HT slowly starts to backfill jobs. We thank our members for their patience during these tough times. God Bless!