



BUSINESS MANAGER'S REPORT DECEMBER 4, 2009

1. With Judge King's confirmation of the Debtor's Plan of Reorganization, done on November 13, 2009, Hawaiian Telcom is positioned to proceed to the regulatory process. The Unsecured Creditors Committee is working with the Debtors and the Secured's to reach an amicable settlement so as to avoid an appeal of the Judge's decision. Barring any appeal, the Reorganization Plan would need regulatory approval before we could emerge from bankruptcy. In order to make sure the Company and our Hawaii members are properly positioned for emergence from Chapter 11, the Union has:

- Requested meetings with the Secured's to discuss NGTV, workforce requirements, Collective Bargaining improvements, financials, the new Executive Board, the Secured's exit strategy, and how to attract and retain employees
- Met with PUC Chairman Carlito Caliboso on a couple of occasions to express our concerns for the Business, access to the new Executive Board, and to make the Union available for any help necessary in facilitating the process. The regulatory approval for the Verizon Hawaii sale took approximately 9 months; we're hoping the timeframe for the new sale will be reduced.
- Contacted CEO Yeaman and his team to discuss access to the prospective Executive Board members, discussions on the huge improvements in the Call Center, Collective Bargaining improvements, workforce requirements, budgets and NGTV. We'll also be discussing employee morale and some of the conflicts between the We Go, Fast and the behavior of the administration.
- We have expressed our concerns to Senator Daniel Inouye's staff about the bankruptcy process and the future of Hawaiian Telcom. We are in the process of scheduling appointments with our other Congressional delegates to review our situation with them, as well.

What is critical for us to continue to be successful, though, is the support of our members. Because of the great job our members do, we have been able to fend off the huge catastrophes other Unions have had to face. We thank you for being responsible members and ask that you continue to provide that world class customer service.

2. I have asked Local Union Reps Andie Kahakui and Kimi Koge to work with Unit 10 Chairman Ray Tenorio to help settle their issues regarding their Performance Incentive Plan and put a Plan in place. With the Chair's help, we will continue to improve the quality of life for our Brothers and Sisters in Saipan. Brother Tenorio was also able to restart the Unit meetings for Unit 10, as the original meeting place was shut down due to renovations. We are planning a trip to Saipan soon.

3. Finally, as we end the year on a positive note, please take time to remember and give thanks for all of our Brothers and Sisters who have passed on, and let us give thanks to our Brothers and Sisters who have served and are still serving in the military. The peace and freedom that we enjoy does not come without cost. On behalf of the staff of IBEW Local Union 1357, have a safe and Merry Christmas and a Happy New Year! God Bless the IBEW, and God bless us all.