

BUSINESS MANAGER'S REPORT

January 8, 2010



1. Judge Lloyd King verbally confirmed Hawaiian Telcom's Plan of Reorganization on November 13, 2009, pending resolution of a few outstanding issues between the Secured Lenders, the Debtors and the Unsecured's. Consequently, all issues have since been resolved and Judge King signed the order confirming the Plan on December 30, 2009.

The Plan now proceeds through the regulatory process, requiring both the Hawaii PUC and Federal CC approvals. This is a positive step for the Company, as well as for our members, and the Union will be actively involved in the proceedings. The regulatory process for the Verizon Hawaii sale to The Carlyle Group took approximately 9 months to complete. We are hoping for a more expedited decision.

Thank you all for your patience and kokua during these difficult times. IBEW Local Union 1357 members continue to provide the best service in the nation, Bar None!

2. Our Brothers and Sisters in Saipan continue to suffer through tough economic times:

- High unemployment
- A rising "Ice" problem
- Tourism was once at 800k visitors a year; now down to 400k
- The Saipan Government looking at layoffs
- Cost of Living expenses continue to rise.

Internally, issues continue to surface with the Company and the Union:

- Attendance
- Company asking the Union to work on a Drug and Alcohol Policy
- New jobs being created
- Signing up new members
- Expanding to Guam
- Development of the Performance Incentive Plan (Rob Harrell will be meeting with the Delgado's next week on the Incentive Plan)
- Improving the Collective Bargaining Agreement
- Transition for Unit 10.

Working with Unit Chairman Ray Tenorio, we have laid the pathway to resolving many of these issues. Together, we continue to strive to improve the working conditions for working men and women of the IBEW.

3. In the toughest of economic times, our IBEW 1357 members at IT&E and Hawaiian Telcom continue to reap the fruits of their labor. Employees at Hawaiian Telcom should have received their 1.5% General Wage Increase on December 20, 2009, and the members at IT&E will receive their 2% increase on January 10, 2010.

4. Our Local Union has truly been blessed during these tough times and, again, we would like to thank our membership for all of their hard work and patience during these times. We would also like to give thanks and glory to our Heavenly Father for seeing us through these times and guiding us. Here's wishing each and every one of you a Happy, Healthy and Blessed New Year!