

## **BUSINESS MANAGER'S REPORT**

July 2, 2010

1. Although our bargaining agreements do not expire until September 2011 for Hawaiian Telcom, and January 2012 for IT&E, we need to start preparing from today. As we enjoy all of the benefits that have been fought for, we must make sure that we are constantly trying to protect and improve them:

- Retiree Medical
- Active Medical
- Pension Plans
- Compensation Plans
- Sick Leave
- Outsourcing
- Job Security

Although there are other parts to the contract, the items listed have been under constant pressure for all bargaining agreements throughout the nation. And as the Company struggles through Bankruptcy, cost items cannot be taken off the backs of our membership. Our membership must stay focused on providing the best customer service; they must continue to help one another out; they must continue to learn as much as possible about their jobs; they must use and promote the products and services which our members support; they must be safe at all times; and they must help us organize the unorganized. The bargaining agreement will reflect the work that the membership has done.

2. In the June 2010 Kelepona Leo, there were some errors with regard to the "2010-2013 ELECTION RESULTS" article. Specifically, candidate George Stender's name and vote count (294) were inadvertently omitted from the office of VICE PRESIDENT, and candidate Liane Miwa's name and vote count appeared under both PRESIDENT and VICE PRESIDENT. Sister Miwa was a candidate for PRESIDENT only. Also, the headings for the offices of PRESIDENT and BUSINESS MANAGER-FINANCIAL SECRETARY should have included **"/INTERNATIONAL CONVENTION DELEGATE"**. We apologize to the respective candidates for the printing errors. We have corrected the web edition of the Kelepona Leo, updated the web Election Results, and updated the IBEW Local 1357Hotline. Thank you all for your patience in this matter.

3. Hawaiian Telcom has informed us that they are scheduled to make a payment to the Pension Plan of a little more than 3 million dollars, in accordance with the Federal Pension Protection Act. HT made a similar payment this past April and is scheduled to make 2 more payments; one in October of this year and another in January of 2011 for its 2010 PPA obligation. The Company must also honor its 2009 obligation of approximately 21 million in September of this year. The preliminary indication from the Company's actuaries is that the Pension Plan should be between 65%-75% funded when we emerge from Bankruptcy. However, there are still a lot of variables, such as regulatory changes, employee accruals, market conditions, etc. Based upon these numbers, 50% of the Lump Sum option will return and the balance would be annuitized. Or the member could execute what they currently have, which would be to retire with a full annuity. We will continue to provide retirement educational opportunities for our members so that they can continue to position themselves for the future.

4. Finally, we hope that all of you will spend some time with your families and celebrate Independence Day. Let us give thanks, and please say a special prayer, for those families and friends who have served and who are currently serving in the military, defending our nation. May God Bless them, may God Bless our Union, and may God Bless America!