

# BUSINESS MANAGER'S REPORT

February 5, 2010

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1. As we shared with the membership earlier about our urgent need for engagement with the Secured's, we were notified yesterday that the Company will be paying the Team Performance Award according to the Collective Bargaining Agreement. The Secured's had originally intended to pay the TPA at the same time that they paid the management's bonuses, which would have been when the Company emerges from Chapter 11. It was not until the Union intervened and advised the Secured's that their payment plan schedule was not honoring the CBA that they revised their plans. The change in timing of the payment must now go through the Bankruptcy Court, but we expect the payout to be in the first quarter of this year, in accordance with the CBA.

Also tied to the Bankruptcy is the Company's recent objection before the PUC of the Union's application for intervention. As a member of the Unsecured Creditors Committee, the Union was instrumental in ensuring that our members' Health and Welfare benefits were protected. We also wanted to reinforce the Company's Reorganization Plan to fund the Pension Plan according to federal regulations. The Union's experience throughout the Bankruptcy proceedings can only help to facilitate the PUC

proceedings. We have engaged local Counsel and are drafting a reply to the Company's objection.

2. We have met with Hawaiian Telcom's Vice President of Human Resources, Bill Chung, Senior Director Sheri Braunthal and Benefit Plan Solutions, Inc. CEO Paul Tom to discuss a Multi-Employer Trust fund to help provide relief on medical premiums for retirees. 1260 Business Manager Lance Miyake has already gotten 3 employers to commit and would welcome 1357's membership into the fold. It is our continued commitment to try and improve the quality of life for our members.
3. Some of our members at Hawaiian Telcom may have taken part in a recent Job Evaluation survey done by HR/Operations. The Company has said that many of the Job Descriptions are outdated and functions no longer exist. Our concern is if they try to lower any wage scales as a result of their evaluations. Please know that the Union will not agree to anything that would be a detriment to the membership. If they want to eliminate FCC License/Pole Climbing from a job description because there is no compelling need, not a problem. But, if they are talking wages, then that is a term and condition of employment that needs to be bargained. Our contract expires in 2011.
4. Finally, as we look back at some of the most tumultuous times in our nation's history, all I can say is God has been good to us. Mahalo, Ke Akua!