

**PRESENTATION OF THE
ELEVATOR MECHANICS LICENSING BOARD**

TO THE SENATE COMMITTEE ON
WAYS AND MEANS

TWENTY-NINTH LEGISLATURE
Regular Session of 2018

Tuesday, February 13, 2018
10:30 a.m.

WRITTEN TESTIMONY ONLY

TESTIMONY ON SENATE BILL NO. 2494, S.D. 1, RELATING TO ELEVATOR MECHANICS.

TO THE HONORABLE DONOVAN M. DELA CRUZ, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Kedin Kleinhans, and I am the Executive Officer of the Elevator Mechanics Licensing Board ("Board"). Thank you for the opportunity to testify on S.B. 2494, S.D. 1, which is a companion to H.B. 1630. The Board supports the measure and is providing comments, as set forth in this testimony.

This measure amends Hawaii Revised Statutes ("HRS") chapter 448H, by revising the requirements for apprenticeship and licensure of elevator mechanics, and adding provisions relating to examination, license renewals, continued competency, scope of work, and remote interaction. This measure also clarifies the powers and duties of the Elevator Mechanics Licensing Board and its requirements for temporary permits.

Regarding HRS section 448H-D (Exemptions), subsection 2, the Board recommends amending line 1 on page 5 to read, "Employees of ~~[an elevator]~~ a contractor duly licensed ..." The Board is aware that the C-16 elevator contractor license classification is intended for work on all types of conveyances, and small businesses that wish to solely engage in the lift industry might have difficulty in obtaining the license classification. This amendment will alleviate the burden small businesses might have in obtaining licensure, while ensuring that they are properly insured and bonded.

Thank you for the opportunity to provide written testimony on S.B. 2494, S.D. 1.

Statement of the
National Elevator Industry, Inc.
in
OPPOSITION to S.B. 2494

Hawaii Senate Committee
on Ways & Means
February 13, 2018

The National Elevator Industry Inc (“NEII”) is the premier trade association representing the interests of elevator manufacturers across the United States. NEII member companies, which include KONE, Mitsubishi, Otis, Schindler and thyssenkrupp, have significant operations across Hawaii and represent approximately 85% of the total industry work hours. NEII implores the Committee to reject H.B. 1630 due to its potentially crippling impact on the state of Hawaii, building owners and managers, and the industry itself. In addition, this bill legislates issues already negotiated through the industry’s collective bargaining agreement with the International Union of Elevator Constructors (“IUEC”).

Safety for the riding public and industry personnel is the top priority for NEII and member companies. In pursuit of that goal, NEII supports licensing requirements, which set minimum standards for the training, education and proficiency of elevator mechanics. Around the country, NEII collaborates with labor to secure the adoption of standards that ensure elevator mechanics have the appropriate education and training required for complicated and technical equipment. In fact, the current law in Hawaii was developed with input from an industry coalition of NEII member companies, labor representatives and others, and is based on nationally developed industry standards and model legislation negotiated and agreed to under a separate process.

S.B. 2494, however, goes beyond the industry standards and circumvents well-established labor management law and the industry’s collective bargaining agreement. Without a clear validation and empirical data, there is no need to modify current law and risk negative impacts on Hawaii and its elevator industry. In fact, industry data confirms that the current regulations are working. From 2005 through 2016, the OSHA Lost Time Incident Rate decreased by 69% and the OSHA Recordable Incident Rate decreased by 60% for NEII member companies.

S.B. 2494 Will Have a Negative Impact on Safety

The proposed legislation threatens to eliminate technology that enhances safety for the people of Hawaii and industry workers. By making it impossible to use this technology, Hawaii is rejecting innovation built specifically to protect riders and elevator workers. Remote interaction can protect the equipment, reduce the costs of maintenance and repairs, and correct issues that may otherwise result in equipment being taken out of service.

Elevator Industry has a Unique Labor-Management Agreement

The elevator industry is one of only a few unions to negotiate a national contract. The National Elevator Bargaining Association (“NEBA”) and the International Union of Elevator Constructors enter into a collective bargaining agreement (“CBA”) every five years on behalf of all signatory companies and a list of local unions, including Local #126 Honolulu Hawaii. As a result, the CBA applies nationwide. Unlike most unions, our industry does not negotiate with each local to set individual parameters for scope of work, wages, benefits, etc. The most recent CBA went into effect on July 9, 2017 and expires on July 8, 2022.

The CBA explicitly states that no local union listed as a party to the CBA shall, through its by-laws, constitution, or otherwise, change any of the articles of the CBA or its intent unless a separate agreement is negotiated under specific parameters delineated in the CBA as well. NEII supports this process and encourages the legislature not to interfere.

Collective Bargaining Rights Need to be Maintained

S.B. 2494 intrudes on the area of law left solely to federal labor policy and the parties’ collective bargaining rights. The CBA specifically enumerates the details of the work to be performed exclusively by elevator mechanics, elevator helpers and elevator apprentices. Any change or expansion of worker duties in this draft bill such as those set forth at Section 448H-D regarding scope of work related to “electrical work or adjustments” and in Section 448H-E related to “remote interaction” should be left to the collective bargaining and arbitral processes pursuant to the CBA and not be the subject of state regulation.

Further, the CBA explicitly states that any difference or dispute regarding the application and construction of the agreement shall be referred to as a “grievance” and shall be resolved under specific arbitration procedures. The scope and duties of elevator mechanics, apprentices and helpers can be and has been the subject of collective bargaining negotiations between the IUEC (union) and NEBA (employer group) over many decades.

Although NEII recognizes the State of Hawaii’s role in licensing, this bill goes well beyond minimum standards and licensure by establishing work jurisdiction, required job duties and the scope of work of elevator mechanics which has already been fully delineated between the parties in their collective bargaining agreement.

The National Labor Relations Act, 29 U.S.C. § 151 et seq. (“NLRA”) preempts state regulation that conflicts with the federal system of collective bargaining between private sector unions and employers. Since collective bargaining is a protected right under Section 7 of the NLRA, the State’s jurisdiction to act on S.B. 2494 as outlined is displaced.

The reason preemption is necessary in this instance is that Congress envisioned the NLRA regulating a uniform national labor policy. There is no compelling state interest in the regulation of the job duties and work jurisdiction of elevator mechanics in Hawaii that are expressly provided for in the parties' existing national collective bargaining agreement. The Supreme Court in Building Trades Council (San Diego) v. Garmon, 359 U.S. 236, 246 (1959) held:

The governing consideration is that to allow the State to control activities that are potentially subject to federal regulation involves too great a danger of conflict with national labor policy.

This Supreme Court holding has specific application to the attempts in the draft bill to modify scope of work, work jurisdiction, and the proposed direct involvement of mechanics in remote elevator "interaction."

H.B. 1630 Will Disrupt the Workforce and Have Significant Cost Impacts

The National Elevator Industry Education Program ("NEIEP") is recognized in the CBA as the industry authority on training and education. The NEIEP program has been collectively developed since 2002 and is supported by industry stakeholders, including the IUEC. Local representatives administer the NEIEP apprenticeship program, but do not have the unilateral authority to change it. Changes can be considered, negotiated and approved by the NEIEP Trustees (comprised of union and company representatives) and staff, and then disseminated to the Joint Apprenticeship Committee (again including union and company officials) across the country, including Hawaii.

NEIEP, through its Trustees, set 8,000 hours as the necessary amount of on-the-job training needed to be an elevator mechanic. All parties agree that 8,000 hours is both substantial and adequate to prepare apprentices for their work as an elevator industry mechanic and to ensure their safety as well as the safety of the riding public. The NEIEP program, curriculum and materials have been approved by the U.S. Department of Labor or its state equivalent using this number. Currently, 33 states have elevator mechanic licensing programs based on the 8,000 training hours and at least four more are considering legislation to create a program using this standard. No justification has been put forth to demonstrate that an additional 1,000 hours of training is needed or will reach any state, industry or business objective.

Personnel currently working in Hawaii who have completed the requisite program and are deemed qualified by NEIEP standards will be prevented from sitting for the mechanics' exam until an additional 1,000 OJT hours are obtained (see Article X of CBA). As a result, these workers will not be in the "correct" job and will delay the addition of full mechanics into the workforce. In addition, the additional 1,000 hours required in Hawaii would be a disincentive for potential mechanics who can go to another state where they can sit for the mechanic's exam and move into a mechanic position at least six months earlier than they could in Hawaii. Hawaii is a remote market and already faces workforce challenges – additional strain on the number of mechanics could also delay construction, modernization and repair projects impacting development and tourism.

The costs associated with this bill will have a significant negative impact on both workers and businesses in Hawaii. Workers who are delayed in sitting for the mechanic's exam and moving up to the position of mechanic will not be paid the appropriate wage for their skills. Specifically, the salary for these workers will be 20% less than a mechanic.

For the business community, increased costs will be realized when licensed mechanics are required for work currently performed safely and more economically by a variety of personnel including engineers, building security or facility staff and/or other operational employees. In addition, Section 448H-E requires an elevator mechanic to be onsite for "remote interaction" to occur. Remote interaction can be utilized at any time, but it is unlikely businesses will opt to have a mechanic onsite 24 hours every day to give permission for its use.

Additional Concerns with S.B. 2494

- Expands the scope of work for mechanics beyond what is prescribed in any other state.
- Regulates "work done by others" that may not be under the elevator company contract.
- Reverses 35 years of industry practices and standards.

I am available to address any questions or provide additional information as needed. Please do not hesitate to contact me at 785-286-7599 or via e-mail at ajblankenbiller@neii.org. We also have local representatives from the NEII member companies and Capitol Consultants of Hawaii (CCH) available to assist the Committee as they work through these important issues. Ross Yamasaki (CCH) is our local point of contact and can be reached at 808-227-3650 or via email at ryamasaki808@gmail.com.

NEII is confident that once the Committee on Ways & Means reviews the information provided in this testimony and carefully considers the broad and potentially damaging impacts S.B. 2494 may have on the State of Hawaii, business owners and the elevator industry, it can reach no other conclusion than to defeat S.B. 2494.

Respectfully submitted,



Amy J. Blankenbiller
Vice President, Government Affairs



February 12, 2018

Michael Nagao
Branch Manager

KONE Inc.
3375 Koapaka St.
D160
Honolulu, HI 96819
Tel 808-833-3299
Mobile 808-479-9660

Re: Opposition to S.B. 2494

Hawaii Senate Ways and Means Committee,

KONE Inc. (KONE) appreciates the opportunity to submit comments and convey our company position regarding S.B. 2494. Due to the time difference between Hawaii and KONE's Corporate Headquarters in Illinois (C.S.T.), by the time KONE received notice of this hearing, obtaining input from all KONE corporate colleagues involved was challenging. Therefore, while we have detailed several of our concerns regarding S.B. 2494 below, KONE reserves the right to supplement its written comments and provide additional input as the bill moves through the process.

First and foremost, KONE is an active and integral member of the National Elevator Industry, Inc. (NEII) and fully supports the attached NEII written comments. In addition, in general, while KONE fully supports licensing requirements, some of the requirements listed in S.B. 2494 conflict with and/or impose additional requirements than industry standards, the model elevator law developed by NEII and the International Union of Elevator Constructors (IUEC), the Collective Bargaining Agreement (CBA) between the companies and the IUEC, and the National Elevator Industry Education Program (NEIEP). As a result, the bill will negatively impact elevator industry business operations in Hawaii.

More specifically, the areas below are of particular concern to KONE:

- **Scope of Work** – The language regarding elevator mechanics' scope of work is inconsistent with the model elevator law.
- **Remote Interaction** – The language regarding remote interaction is also beyond the industry's model elevator law. Moreover, there is no safety reason to require only licensed mechanics for this type of work.
- **Qualifications** – NEIEP already has industry requirements to qualify for an elevator mechanics' license. There is no reason, safety or otherwise, for Hawaii to impose additional requirements above and beyond those already mandated by the industry.

KONE unites with NEII and our industry counterparts to oppose the licensing requirements set forth in S.B. 2494 in Hawaii. KONE is available to answer any questions or provide any assistance. We request that the Hawaii Senate Ways and Means Committee reject this bill. Thank you for your time and attention to this important industry issue.

Sincerely,

KONE Inc.

Michael Nagao
Branch Manager

Statement of the
National Elevator Industry, Inc.
in
OPPOSITION to S.B. 2494

Hawaii Senate Committee
on Ways & Means
February 13, 2018

The National Elevator Industry Inc (“NEII”) is the premier trade association representing the interests of elevator manufacturers across the United States. NEII member companies, which include KONE, Mitsubishi, Otis, Schindler and thyssenkrupp, have significant operations across Hawaii and represent approximately 85% of the total industry work hours. NEII implores the Committee to reject H.B. 1630 due to its potentially crippling impact on the state of Hawaii, building owners and managers, and the industry itself. In addition, this bill legislates issues already negotiated through the industry’s collective bargaining agreement with the International Union of Elevator Constructors (“IUEC”).

Safety for the riding public and industry personnel is the top priority for NEII and member companies. In pursuit of that goal, NEII supports licensing requirements, which set minimum standards for the training, education and proficiency of elevator mechanics. Around the country, NEII collaborates with labor to secure the adoption of standards that ensure elevator mechanics have the appropriate education and training required for complicated and technical equipment. In fact, the current law in Hawaii was developed with input from an industry coalition of NEII member companies, labor representatives and others, and is based on nationally developed industry standards and model legislation negotiated and agreed to under a separate process.

S.B. 2494, however, goes beyond the industry standards and circumvents well-established labor management law and the industry’s collective bargaining agreement. Without a clear validation and empirical data, there is no need to modify current law and risk negative impacts on Hawaii and its elevator industry. In fact, industry data confirms that the current regulations are working. From 2005 through 2016, the OSHA Lost Time Incident Rate decreased by 69% and the OSHA Recordable Incident Rate decreased by 60% for NEII member companies.

S.B. 2494 Will Have a Negative Impact on Safety

The proposed legislation threatens to eliminate technology that enhances safety for the people of Hawaii and industry workers. By making it impossible to use this technology, Hawaii is rejecting innovation built specifically to protect riders and elevator workers. Remote interaction can protect the equipment, reduce the costs of maintenance and repairs, and correct issues that may otherwise result in equipment being taken out of service.

Elevator Industry has a Unique Labor-Management Agreement

The elevator industry is one of only a few unions to negotiate a national contract. The National Elevator Bargaining Association (“NEBA”) and the International Union of Elevator Constructors enter into a collective bargaining agreement (“CBA”) every five years on behalf of all signatory companies and a list of local unions, including Local #126 Honolulu Hawaii. As a result, the CBA applies nationwide. Unlike most unions, our industry does not negotiate with each local to set individual parameters for scope of work, wages, benefits, etc. The most recent CBA went into effect on July 9, 2017 and expires on July 8, 2022.

The CBA explicitly states that no local union listed as a party to the CBA shall, through its by-laws, constitution, or otherwise, change any of the articles of the CBA or its intent unless a separate agreement is negotiated under specific parameters delineated in the CBA as well. NEII supports this process and encourages the legislature not to interfere.

Collective Bargaining Rights Need to be Maintained

S.B. 2494 intrudes on the area of law left solely to federal labor policy and the parties’ collective bargaining rights. The CBA specifically enumerates the details of the work to be performed exclusively by elevator mechanics, elevator helpers and elevator apprentices. Any change or expansion of worker duties in this draft bill such as those set forth at Section 448H-D regarding scope of work related to “electrical work or adjustments” and in Section 448H-E related to “remote interaction” should be left to the collective bargaining and arbitral processes pursuant to the CBA and not be the subject of state regulation.

Further, the CBA explicitly states that any difference or dispute regarding the application and construction of the agreement shall be referred to as a “grievance” and shall be resolved under specific arbitration procedures. The scope and duties of elevator mechanics, apprentices and helpers can be and has been the subject of collective bargaining negotiations between the IUEC (union) and NEBA (employer group) over many decades.

Although NEII recognizes the State of Hawaii’s role in licensing, this bill goes well beyond minimum standards and licensure by establishing work jurisdiction, required job duties and the scope of work of elevator mechanics which has already been fully delineated between the parties in their collective bargaining agreement.

The National Labor Relations Act, 29 U.S.C. § 151 et seq. (“NLRA”) preempts state regulation that conflicts with the federal system of collective bargaining between private sector unions and employers. Since collective bargaining is a protected right under Section 7 of the NLRA, the State’s jurisdiction to act on S.B. 2494 as outlined is displaced.

The reason preemption is necessary in this instance is that Congress envisioned the NLRA regulating a uniform national labor policy. There is no compelling state interest in the regulation of the job duties and work jurisdiction of elevator mechanics in Hawaii that are expressly provided for in the parties' existing national collective bargaining agreement. The Supreme Court in Building Trades Council (San Diego) v. Garmon, 359 U.S. 236, 246 (1959) held:

The governing consideration is that to allow the State to control activities that are potentially subject to federal regulation involves too great a danger of conflict with national labor policy.

This Supreme Court holding has specific application to the attempts in the draft bill to modify scope of work, work jurisdiction, and the proposed direct involvement of mechanics in remote elevator "interaction."

H.B. 1630 Will Disrupt the Workforce and Have Significant Cost Impacts

The National Elevator Industry Education Program ("NEIEP") is recognized in the CBA as the industry authority on training and education. The NEIEP program has been collectively developed since 2002 and is supported by industry stakeholders, including the IUEC. Local representatives administer the NEIEP apprenticeship program, but do not have the unilateral authority to change it. Changes can be considered, negotiated and approved by the NEIEP Trustees (comprised of union and company representatives) and staff, and then disseminated to the Joint Apprenticeship Committee (again including union and company officials) across the country, including Hawaii.

NEIEP, through its Trustees, set 8,000 hours as the necessary amount of on-the-job training needed to be an elevator mechanic. All parties agree that 8,000 hours is both substantial and adequate to prepare apprentices for their work as an elevator industry mechanic and to ensure their safety as well as the safety of the riding public. The NEIEP program, curriculum and materials have been approved by the U.S. Department of Labor or its state equivalent using this number. Currently, 33 states have elevator mechanic licensing programs based on the 8,000 training hours and at least four more are considering legislation to create a program using this standard. No justification has been put forth to demonstrate that an additional 1,000 hours of training is needed or will reach any state, industry or business objective.

Personnel currently working in Hawaii who have completed the requisite program and are deemed qualified by NEIEP standards will be prevented from sitting for the mechanics' exam until an additional 1,000 OJT hours are obtained (see Article X of CBA). As a result, these workers will not be in the "correct" job and will delay the addition of full mechanics into the workforce. In addition, the additional 1,000 hours required in Hawaii would be a disincentive for potential mechanics who can go to another state where they can sit for the mechanic's exam and move into a mechanic position at least six months earlier than they could in Hawaii. Hawaii is a remote market and already faces workforce challenges – additional strain on the number of mechanics could also delay construction, modernization and repair projects impacting development and tourism.

The costs associated with this bill will have a significant negative impact on both workers and businesses in Hawaii. Workers who are delayed in sitting for the mechanic's exam and moving up to the position of mechanic will not be paid the appropriate wage for their skills. Specifically, the salary for these workers will be 20% less than a mechanic.

For the business community, increased costs will be realized when licensed mechanics are required for work currently performed safely and more economically by a variety of personnel including engineers, building security or facility staff and/or other operational employees. In addition, Section 448H-E requires an elevator mechanic to be onsite for "remote interaction" to occur. Remote interaction can be utilized at any time, but it is unlikely businesses will opt to have a mechanic onsite 24 hours every day to give permission for its use.

Additional Concerns with S.B. 2494

- Expands the scope of work for mechanics beyond what is prescribed in any other state.
- Regulates "work done by others" that may not be under the elevator company contract.
- Reverses 35 years of industry practices and standards.

I am available to address any questions or provide additional information as needed. Please do not hesitate to contact me at 785-286-7599 or via e-mail at ajblankenbiller@neii.org. We also have local representatives from the NEII member companies and Capitol Consultants of Hawaii (CCH) available to assist the Committee as they work through these important issues. Ross Yamasaki (CCH) is our local point of contact and can be reached at 808-227-3650 or via email at ryamasaki808@gmail.com.

NEII is confident that once the Committee on Ways & Means reviews the information provided in this testimony and carefully considers the broad and potentially damaging impacts S.B. 2494 may have on the State of Hawaii, business owners and the elevator industry, it can reach no other conclusion than to defeat S.B. 2494.

Respectfully submitted,



Amy J. Blankenbiller
Vice President, Government Affairs

Otis Elevator Company
863 Halekauwila St, Ste #4
Honolulu, HI 96813

(808) 599-1111



February 12, 2018

Representative Donovan Dela Cruz
Chair, Senate Committee on Ways and Means
Hawaii State Capitol, Room 208
Honolulu, Hawaii 96813

Re: Opposition to S.B. 2494

Aloha Chairman Dela Cruz,

On behalf of Otis Elevator, I would like to provide the Ways and Means Committee with comments opposing S.B. 2494, a bill relating to elevator mechanics. If enacted, S.B. 2494 will make the state's elevators less safe, raise costs for all businesses and building owners, and stifle future development projects in Hawaii.

First and foremost, safety is the number one priority of Otis Elevator. For that reason, we collaborated with labor, and several other industry partners, to establish the licensing requirements that are currently in place in Hawaii. Since their implementation, Hawaii has had a positive track record of safe and reliable equipment. We believe that there is no demonstrated need to overhaul the State's licensing requirements as prescribed in S.B. 2494.

Specifically, below are our three primary concerns with the bill:

S.B. 2494 Interferes with Collective Bargaining Law

By expanding the scope of work outlined in Sections 448H-D and 448H-E and by raising minimum requirements outlined in 448H-6, which are all issues specifically enumerated in the CBA, S.B. 2494 encroaches on the area of law left solely to federal labor policy and the parties' collective bargaining rights. Moreover, there is a grievance process to handle unresolved issues in the CBA and unless there is a compelling state interest, of which there is none in this circumstance, the Supreme Court has expressly disallowed states from interfering with bargaining agreements.

Remote Interactions Should Not Be Limited

S.B. 2494 makes it impossible to use longstanding remote monitoring safety technology, which for over 30 years has made conveyances safer for passengers and workers. Standard in most elevator sold today, remote technology serves several important functions that make elevators run more efficiently and protect passengers. If this valuable safety technology is abandoned, building owners would need to find new ways to operate their buildings without it and reverse longstanding industry practices.

Increasing Qualifications for Elevator Mechanics Should Not Exceed National Standard

Both labor and industry agree, through provisions in the CBA, that 8,000 hours "on-the-job-hours" is both substantial and adequate to prepare apprentices for their work as an elevator industry mechanic and to ensure their safety as well as the safety of the riding public. By requiring an additional 1,000 hours, S.B. 2494 negatively impacts the state's workforce in several ways. First, until mechanics can reach the extra hours of training, their pay scale is decreased. Second, it further delays apprentice mechanics from entering into the work force, which puts a massive strain on projecting future development. Third, higher requirements both dissuade able workers in Hawaii from joining the industry and forces them to seek work in other states where they can elevate to mechanic sooner.

Due to the potential safety risks, high costs and the enormous impact on the state's business environment the Ways and Means committee should reject S.B. 2494. Please do not hesitate to contact us with any questions or to provide additional information.

Sincerely,

Jason D. Barnes

LATE



thyssenkrupp

Statement of
thyssenkrupp Elevator Corporation
in
OPPOSITION to S.B. 2494
Senate Committee on Ways and Means

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

thyssenkrupp Elevator Corporation is one of the world's leading elevator companies. We design, build, install, upgrade and maintain smart and innovative mobility systems for a wide variety of applications in Hawaii and around the world.

Our company shares the Committee's goal to ensure that the elevator industry continues to exceed its high safety standards. However, we have grave concerns over S.B. 2494 and feel that, if enacted, it will set the state of Hawaii back several decades in terms of innovation, with no commensurate gain in safety, and raise the cost of elevator service and maintenance for Hawaii's business owners, including the state's vast tourism industry. Also, the legislation addresses training and workplace issues that have already been negotiated through the industry's Collective Bargaining Agreement (CBA) with the International Union of Elevator Constructors (IUEC), of which thyssenkrupp is a signatory.

Thank you for the opportunity to provide our expertise on elevator safety issues. We look forward to working with you to ensure the continued safety of our mechanics and the riding public.

Increase of Training Hours Unnecessary and Penalizes Assistant Mechanics

Safety has always been one of thyssenkrupp Elevator's primary goals. As such, we actively support stringent safety standards and licensing requirements to ensure our mechanics are able to meet the needs of Hawaii's building owners and the riding public. Currently, the IUEC program, administered through the National Elevator Industry Education Program (NEIEP), provides a minimum of 8,000 hours of on-the-job training (in addition to classroom training) through an apprenticeship program. By the time an individual has completed the requirements and passed the exam, they are highly skilled mechanics. There is no indication that our current mechanics are undertrained or that the requirement of an additional 1,000 hours would correlate to improved safety.

thyssenkrupp Elevator Corporation
2880 Ualena St., Honolulu, Hawaii 96819



Once an apprentice completes the minimum training requirements (established through the CBA), he/she is able to sit for the exam. By requiring an additional 1,000 hours of on-the-job training, you would impede them from becoming fully licensed mechanics and delay their 20 percent salary raise. You would also delay entry into the workforce of qualified mechanics, further exacerbating Hawaii's workforce shortage.

Remote Interaction Requirements Impede Innovation and Safety and Raise Costs

For the past several decades, thyssenkrupp Elevator – and our competitors – have been working to develop and improve technology to monitor and assess all of the elevator equipment we put into service. These technologies allow us to perform much more preventive and predictive maintenance. By learning from machine data as to when adjustments or replacements of parts are needed before their end of life, our elevators are more reliable with less down time and less emergency calls.

There are clearly a wide array of tasks and qualifications to complete each task. Some of these are jobs for licensed mechanics, while others may be jobs for professional engineers or software developers, none of whom needs to be onsite to collect and analyze the data. The over-simplified approach outlined in S.B. 2494 is misguided and dangerous. With no safety data to indicate that this would benefit the industry and the state's businesses, it is irresponsible to dictate these complex issues through the legislative process. This bill would set innovation back by twenty years to "fix" a nonexistent problem. Also, consumers would see higher costs if licensed mechanics were required in all instances.

Thank you again for the opportunity to submit our comments on S.B. 2494. Leif Kjongegaard is available to answer any questions you may have as the Committee works to address these important issues. He can be reached at 808-839-8122.

Best regards,

A handwritten signature in black ink, appearing to read "Leif Kjongegaard", written over a circular stamp or seal.

Leif Kjongegaard
Branch Manager, Honolulu Hawaii