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STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHANA

February 10, 2026

To: The Honorable Jackson D. Sayama, Chair,
The Honorable Mike Lee, Vice Chair, and
Members of the House Committee on Labor

Date: Tuesday, February 10, 2026
Time: 9:30 a.m.
Place: Conference Room 309, State Capitol

From: Jade T. Butay, Director
Department of Labor and Industrial Relations (DLIR)

Re: HB 2587 RELATING TO LABOR

The **DLIR offers comments** on this measure intended to clarify the employment status of certain delivery drivers under specific statutes. Labor laws classify the employer–employee relationship to ensure that workers receive the full protections and benefits guaranteed by law and to prevent those protections from being circumvented through improper classification as independent contractors. Clear and enforceable classification standards also protect fair competition by ensuring law-abiding employers are not placed at a disadvantage by businesses that reduce costs through misclassification and evasion of labor standards.

So-called gig employers further illustrate the importance of clear and enforceable classification standards. These companies often exert control over how work is performed while classifying workers as independent contractors, thereby externalizing core labor costs onto workers and the public. This cost-shifting distorts labor markets by allowing misclassifying firms to undercut compliant employers, undermining both worker protections and fair competition.

The DLIR believes its current statutory provisions sufficiently protect workers and appreciates the discussion of this matter to inform policymakers and the public. Due to current fiscal conditions and uncertainty surrounding federal policymaking and funding, DLIR does not have budget requests currently to increase enforcement capacity. However, the Department anticipates making such requests in the future.

Thank you for the opportunity to provide comments on this important matter.



TESTIMONY OF DAVE ERDMAN, INTERIM PRESIDENT & CEO
RETAIL MERCHANTS OF HAWAII
FEBRUARY 8, 2026
IN OPPOSITION TO HB 2587 - RELATED TO LABOR

Aloha Chair Sayama, Vice Chair Lee, and Members of the Committee:

My name is Dave Erdman, and I am the Interim President and CEO of Retail Merchants of Hawai'i, a statewide trade association representing retailers, shopping centers, and allied businesses across the islands.

Retail Merchants of Hawai'i submits testimony in **opposition to HB 2587**.

Our RMH members include retailers that rely on flexible, third-party delivery programs to meet customer expectations and manage last-mile logistic, the term used in our industry. Based on examples shared by our members, these delivery models are structured to preserve independence and flexibility for delivery partners.

In general, delivery partners can choose when and how often they work, select delivery blocks that fit their schedules, use their own vehicles, and are not subject to minimum participation requirements. They also retain flexibility during delivery blocks, including the ability to take breaks or attend to personal needs. These features reflect independent, flexible work arrangements rather than traditional employment.

Members indicate compensation ranges beyond minimum wage and in some cases over \$25.00 per hour. RMH members also report that these programs offer clear and predictable earnings, with pay disclosed in advance and access to earnings shortly after completing delivery work. Some programs additionally provide optional incentives or rewards that help offset everyday expenses.

From an operational standpoint, delivery routes are designed to align with scheduled work periods and consider package volume, delivery locations, and traffic conditions. Navigation and routing tools are commonly used to support efficiency and safety.

Importantly, our members emphasize that flexible delivery opportunities provide meaningful income options for individuals with diverse life circumstances—such as parents, caregivers, students, and professionals—who may not be able to commit to fixed schedules or traditional employment.

Safety is also a priority. Based on member examples, delivery partners are provided visibility equipment, customer transparency features, the ability to decline deliveries they feel are unsafe, and access to emergency support resources.

HB 2587 would impose a rigid employment classification framework that does not reflect how these delivery programs operate. The bill risks reducing flexibility for workers, increasing costs for retailers—particularly small and local businesses—and limiting delivery options for Hawai‘i consumers.

For these reasons, Retail Merchants of Hawai‘i respectfully **opposes HB 2587**.

Mahalo for the opportunity to testify.

Dave Erdman
Interim President & CEO
Retail Merchants of Hawai‘i