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BUSINESS

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Start-up elevator company rejects union

The National Labor Relations Board upholds a move by employees to decertify from Local 126

By Allison Schaefer
aschaefer@starbulletin.com

Pacific Elevator Corp., a Hawaii-based start-up, has become the state's first nonunion elevator company after the National Labor Relations Board recently upheld a decision by employees to decertify from Local 126, the International Union of Elevator Constructors.

"This is a true David and Goliath story," said Jim Hutchinson, Pacific Elevator owner. "The IUEC really put us in a place where our back was up against the wall—it was a fight for survival."

Hutchinson, who opened Pacific Elevator in 2004 and employs only a handful of workers, said he embarked on a legal battle with the union after it could not supply him

with the skilled personnel that he needed to undertake his first elevator modernization project.

The International Union of Elevator Constructors has more than 25,000 members throughout the United States and Canada. As a result of the decertification, Local 126 is banned from reorganizing the company's workers for the next year, said Thad Tomei, the business representative for Local 126.

"There may be a time that the employees want to recertify; if so, we'll assist them," Tomei said.

While it's the right of employees to choose if they want to be represented by a union, Tomei said he had objections to the way that Hutchinson conducted the process.

"There was more than adequate skilled labor available to him. We could have queried the West Coast local to bring in people for an immediate need," Tomei said.

Pacific Elevator modernizes and restores old elevators, which requires a much higher level of exper-

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tise than other forms of elevator work, Hutchinson said.

"The first mechanics we hired set us back a month," he said. "We had no choice but to bring in skilled mechanics from the mainland."

The union objected after Hutchinson refused to send two imported workers back to the mainland and hire locally, he said.

"It cost us a tremendous amount of money to bring this person in, but for us, it was do or die," Hutchinson said.

The union also refused to let him bring more workers from the mainland, Hutchinson said. "(The union) took a hard line. I guess they would rather have had us go out of business."

Attaining nonunion status will help keep Hutchinson's company viable and means better service for his customers, he said.

Pacific Elevator installs modernization packages to improve elevator performance and reduce maintenance costs. The company's portfolio includes the Heritage House condominium, the Kailua Professional Center, Kalakaua Sands, Koko Head Plaza and others.

"As a merit-based employer, we are now able to set higher standards for employment, employing only the best and brightest mechanics, and providing performance incentives to these top producers," Hutchinson said. "This in turn enables us to deliver a level of service to our customers, frankly, unattainable until now."

Without union involvement, Hutchinson said he has been able to start a local apprentice training program that better meets his needs. The company's nonunion status also enables it to outbid competitors, Hutchinson said.

"We can work weekends and holidays," he said. But while he's got more flexibility to manage his company, he said he hasn't cut personnel costs through wage cuts.

"I pay more than top scale because I've been able to hire real talent," Hutchinson said.

Tomei said he's not worried about the impact of Pacific Elevator's decertification.

"A lot of customers don't want to take a chance with a new company," he said.