
HOUSE RESOLUTION

REQUESTING THE DIRECTOR OF LABOR AND INDUSTRIAL RELATIONS TO
EXPLORE THE POSSIBILITY OF EXPANDING THE DISLOCATED WORKERS
PROGRAM.

1 WHEREAS, in today's fluid economy, businesses are bought
2 and sold at will; and
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4 WHEREAS, in Hawaii, the businesses that are the most
5 vulnerable to frequent sales are those in the tourism industry,
6 namely hotels; and
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8 WHEREAS, with Hawaii tourism growing by leaps and bounds,
9 and hotel occupancy rates averaging more than eighty per cent
10 this year, hotel ownership has become a lucrative business,
11 especially for investors who thrive on buying and selling; and
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13 WHEREAS, for workers of these hotels, however, job security
14 is often at risk when a hotel is sold because workers are
15 terminated, or are asked to apply for their old jobs or are
16 subject to screenings and tests to determine their suitability
17 for the very jobs they have held for years, such that they may
18 find themselves be out of work despite all their efforts, if the
19 new employer does not want to hire formerly unionized employees;
20 and
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22 WHEREAS, such mass layoff practices create needless
23 disruption in the workforce, in the business itself, and in the
24 community; and
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26 WHEREAS, one recent example of this disruption occurred at
27 the Hawaii Naniloa Resort, whose workers had been organized
28 through a union for many years and was the only unionized hotel
29 on the east side of the Island of Hawaii; and
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31 WHEREAS, early this year, the Hawaii Naniloa Resort was
32 sold to the highest bidder in an auction by the State for a
33 lease of the land on which the hotel is situated, and the new
34 owner hired only twenty of the one hundred forty incumbent



1 workers and brought in workers from the owner's two other
2 operations; and
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4 WHEREAS, the sale left one hundred twenty Hawaii Naniloa
5 Resort workers jobless who were then forced to consider either a
6 two-hour commute to the west side of the island for hotel work
7 or retraining for a completely new line of work; and
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9 WHEREAS, the new owner claimed the workers did not have the
10 right attitude for the business, yet the real motivation for not
11 retaining incumbent workers may have been to make the operation
12 as non-union as the owner's two other businesses; and
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14 WHEREAS, on three occasions the Legislature was urged to
15 enact laws to protect workers against mass layoffs such as the
16 layoffs at the Hawaii Naniloa Resort and numerous other hotels,
17 but business interests vigorously argued that such legislation
18 was bad for business and would drive away investors; and
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20 WHEREAS, some legislators agreed with business interests
21 and legislation to protect incumbent employees was defeated each
22 time; and
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24 WHEREAS, Hawaii is still a favored tourist destination and
25 hotels are posting record profits, making it unlikely that
26 investors will be dissuaded by employee protection laws that
27 make good business sense; and
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29 WHEREAS, a law to require the buyer of a hotel to retain
30 incumbent workers makes sense because it:
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- 32 (1) Helps to minimize disruption in the business;
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34 (2) Protects management's right to manage the business and
35 its employees;
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37 (3) Avoids negative publicity and creates good will in the
38 community; and
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40 (4) Allows workers to make a smoother transition, if
41 necessary, into new employment rather than be
42 terminated in a mass layoff; and
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1 WHEREAS, the present dislocated workers program under
 2 chapter 394B, Hawaii Revised Statutes, covers workers who are
 3 subject to a sale, transfer, merger, or other business takeover
 4 that results in a closing or partial closing of business
 5 operations; now, therefore,

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 7 BE IT RESOLVED by the House of Representatives of the
 8 Twenty-fourth Legislature of the State of Hawaii, Regular
 9 Session of 2007, that the Director of Labor and Industrial
 10 Relations is respectfully requested to explore the possibility
 11 of expanding the dislocated workers program to cover the
 12 employees of a business that is subject to a business takeover
 13 without any closing or partial closing; and

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 15 BE IT FURTHER RESOLVED that the Director of Labor and
 16 Industrial Relations is requested to determine whether
 17 legislation should be developed to require, in the event of a
 18 sale or divestiture of a business, that the buyer shall retain
 19 the seller's employees, unless the business that is continued by
 20 the buyer differs substantially from the business that was sold
 21 by the seller; and

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 23 BE IT FURTHER RESOLVED that the Director of Labor and
 24 Industrial Relations is further requested to submit findings and
 25 recommendations, including any proposed legislation, to the
 26 Legislature not later than twenty days prior to the convening of
 27 the Regular Session of 2008; and

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 29 BE IT FURTHER RESOLVED that a certified copy of this
 30 Resolution be transmitted to the Director of Labor and
 31 Industrial Relations.
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OFFERED BY: _____

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