



THE HAWAII STATE HOUSE OF REPRESENTATIVES
The Thirtieth Legislature
Regular Session of 2019

Committee on Labor & Public Employment
Representative Aaron Ling Johanson, Chair
Representative Stacylynn K.M. Eli, Vice Chair

Date of Hearing: Tuesday, March 19, 2019
Time of Hearing: 9:00 a.m.
Place of Hearing: Conference Room 309

**TESTIMONY ON HCR 13/HR11 URGING HAWAIIAN AIRLINES TO CEASE
OUTSOURCING CALL CENTER OPERATIONS TO THE PHILIPPINES AND TO
RETURN THESE OPERATIONS TO HAWAII**

By DAYTON M. NAKANELUA,
State Director of the United Public Workers,
AFSCME Local 646, AFL-CIO ("UPW")

My name is Dayton M. Nakanelua, State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive bargaining representative for approximately 14,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and four counties. The UPW also represents about 1,500 members in the private sector.

The UPW urges Hawaiian Airlines to return the call center operations to Hawaii and to utilize local talent.

Thank you for the opportunity to submit this testimony.

HCR-13

Submitted on: 3/18/2019 9:24:22 AM

Testimony for LAB on 3/19/2019 9:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sasha Ota	Individual	Support	No

Comments:

Those who travel frequently on Hawaiian Airlines have been so frustrated trying to discuss travel needs and glitches with the current call center outside of the U.S. Although extremely polite, the agents who field these calls are usually robotic and unable to understand or address the needs of customers. Perhaps with more competition on the way, Hawaiian should rethink this situation. Please bring the jobs and service back to Hawaii, or at least the U.S. The North Dakota call center years ago was incredibly efficient and helpful.



March 19, 2019

LATE

TESTIMONY OFFERING COMMENTS ON HOUSE RESOLUTION HCR 13 / HR 11 URGING HAWAIIAN AIRLINES
TO CEASE OUTSOURCING CALL CENTER OPERATIONS
Tuesday, March 19, 2019 0935AM

Aloha Chair Johanson, Vice Chair Eli and members of the House Committee on Labor & Public Employment,

I am Blaine Miyasato, and I have had the privilege of being a part of the Hawaiian Airlines' 'ohana for the better part of 34 years. I started my career as a flight attendant for Hawaiian in June of 1985, and I was Vice President of Customer Service when the decision was made to outsource the call center.

It is against this backdrop that I offer comments relating to HCR 13 / HR 11 urging Hawaiian Airlines to cease outsourcing our call center operations.

When I joined Hawaiian in 1985 it was the best of times for the airline, quickly followed by the worst of times; mounting and massive losses, continuous service failures, old and dirty airplanes and the worst on time performance in the nation, if not the world, all contributed to a demoralized workforce.

Despite being a demoralized group of people, we cared about the company. We loved our airline and knew that we represented Hawai'i by name – and we felt – but could not articulate – that we had the potential to be so much more.

- Today, Hawai'i's Airline is the country's most punctual airline; a title we have maintained for 15 years in a row
- Today, Hawai'i's Airline operates a modern, state of the art fleet of aircraft with over 170 neighbor island flights a day
- Today, Hawaii's Airline Is a major economic driver of the local economy, including more than 7,271, stable, well-paying jobs.

At the time that Hawaiian Airlines made the difficult decision to relocate the call center off island, we had just emerged from our second bankruptcy. The inter-island market was being served by Aloha Airlines, Go! and Hawaiian Airlines. Jet fuel was creeping up to historic levels peaking at over \$150 a barrel. Irresponsible and predatory pricing designed to drive competitors out of the market were routinely deployed by the new entrant to the market contributing to the demise of Aloha Airlines in 2008.

Recognizing the gathering storm, Hawaiian Airlines put into motion a plan to improve its cost structure and competitiveness and identify efficiencies across the company. Relocating the call center was one initiative within that broader strategy. As you may know the Hawaiian's call center employees are unionized and relocating the scope of work off island to a third party was a negotiated development. As part of that agreement the affected employees were guaranteed jobs in other parts of the company and fully absorbed into customer service roles in airport, ramp and cargo operations.

It is ironic that this resolution is presumably intended to add jobs to the local economy. At the time of the deal there were 250 call center agents and 3,500 Hawaiian Airlines employees in total. Today, Hawaiian employs more than 7,200 people – 90 percent of them based in Hawai'i -- and arguably, has been able to double the work force BECAUSE of decisions we made to ensure Hawaiian's long-term success with these kinds of initiatives.

And finally. Hawaiian and its employees are not looking for unfair advantages. We are in fact interested in fairness and equity. The notion that Hawaii's State Legislature would urge Hawai'i's Airline to adopt policies that are not applied to its mainland and international competitors is, simply put, a double standard that places Hawaiian Airlines at a disadvantage. All of us at Hawaiian come to work every day ready to do our best for our guests. We are proud of our airline, and ready, willing and able to compete. It would be helpful if the state Legislature would recognize our contribution to our hometown.

Mahalo for the opportunity to comment on HRC 13/ HR 11

HCR-13

Submitted on: 3/18/2019 5:40:38 PM

Testimony for LAB on 3/19/2019 9:35:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
David Fukuzawa	Individual	Support	No

Comments:

Dear Honorable Legislative Members,

I am in support of this bill. It would be great to have the call center returned to Hawaii, where it should be, not in the Philippines. This is a business from Hawaii and should be contained all within Hawaii. To have some of its customer service located in a country outside of the island community of Hawaii seems like a travesty. I understand that it costs the company less money, but to have its customer services provided in the Philippines just seems dumb.

Thank you for your time and consideration in this matter.

Sincerely,

David Fukuzawa

LATE

HCR-13

Submitted on: 3/19/2019 7:19:02 AM

Testimony for LAB on 3/19/2019 9:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gary Fuchikami	Individual	Support	No

Comments:

Hawaiian Airlines (HAL) is a local company who's greatest customer base is here in Hawaii. To take away Hawaii jobs is a slap in the face to their customers here, not to mention their increased fares ever since Aloha Airlines left the scene. It's quite obvious all they care about is GREED and ripping us off because suddenly, they reduced their fares when SWA began inter-island operations here. Not only was SWA fares lower to attract customers, but they also allow 2 free checked bags! Now, if HAL is able to still operate and make a profit with their lower fares, why were they not doing that all along? If HAL won't bring back those jobs here, then perhaps we should all fly SWA instead, just to send a strong message. Thank you!