



LATE

March 19, 2019

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, Hawai'i'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