

The Twenty-Seventh Legislature
Regular Session of 2013

LATE TESTIMONY

HOUSE OF REPRESENTATIVES
Committee on Labor and Public Employment
Rep. Mark M. Nakashima, Chair
Rep. Mark J. Hashem, Vice Chair

LATE TESTIMONY

State Capitol, Conference Room 309
Tuesday, February 5, 2013; 9:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 634
RELATING TO EMPLOYMENT**

The ILWU Local 142 supports H.B. 634, which establishes job security requirements upon the divestiture of a covered establishment if the covered establishment employs 100 or more persons.

Under the statute, "divestiture" is defined as "the transfer of any covered establishment from one employer to another because of the sale, transfer, merger, bankruptcy, or other business takeover or transaction of business interests that causes the covered establishment's employees to become dislocated workers." H.B. 634 will require successor employers in a divestiture situation to retain all incumbent non-supervisory and non-confidential employees unless otherwise indicated.

We support this bill for several reasons. First, it minimizes disruption when a divestiture occurs. Instead of all employees being terminated and asked to reapply for their old jobs, transition to the new employer will be seamless. Customers will see business continuing as usual. Employees will be assured of employment, even though management will retain the right to evaluate employees and assess their ability to meet the company's needs.

Second, mass layoffs are harmful to the economy. When workers are laid off at one time, they will have less money in their pockets to pay for goods and services, resulting in less money circulating in the economy and less taxes paid to the government.

Third, if the successor employer maintains the same business as the previous employer, retaining workers who know the business, understand the customer base, and have the skills and know-how to perform the job means less time and effort needed to train workers and acquaint them with the job. The successor employer will save money and maintain good will among both customers and employees.

Most employers understand that worker retention in a divestiture makes good business sense. However, this law is needed for those employers who need to be reminded of the valuable contribution that workers make to the success of a business. Humane regard for employees will go a long way toward better productivity and loyalty from the workforce.

One concern, however, has been brought up by the Department about the staffing requirements to enforce the law. Currently, the Workforce Development Division has limited staff to perform additional functions such as enforcement and likely will need an appropriation to manage this new requirement.

The ILWU urges passage of H.B. 634 with funding for staff needed to enforce the law. Thank you for the opportunity to testify on this measure.