



LATE

February 19, 2025

Senator Jarrett Keohokalole
Senator Carol Fukunaga
Committee on Commerce and Consumer Protection
Senate
Hawaii State Legislature

Comments and Opposition on SB 83 SD1

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Senate Committee on Commerce and Consumer Protection,

Thank you for the opportunity to provide our comments and opposition to SB83 SD1.

In an ideal world, there would never be a service disruption at a hotel. But we live in the real world, where service disruptions can and do occur. When service disruptions occur, our hotels manage them immediately, through corporate policies established by their respective brands, and in direct partnership with the impacted guests.

Our aim is to always “make it right”, but what “right” looks like for each guest is unique. Right can be a refund, or a return of points, or assistance with moving a guest’s stay to a neighboring hotel. Right can be waiving cancellation fees, providing a complimentary meal, an alternative experience, or access to an amenity not currently available at one hotel, in partnership with another. It’s not one size fits all. For example, the requirement on page 2, section (3) requiring the hotelier to “forfeit to the injured party three times the amount of the sum charged” does not adequately address that many guests expectations are not solely met with money. We also need to honor their limited time while they’re in Hawaii on vacation, and that often means finding an immediate solution, tailored to their individual needs. We require the flexibility to deliver alternatives that will allow us to uphold our brands’ promises. Our aim is always to keep our clients happy, to exceed their expectations even in the midst of challenges, and to build their desire to return to Hawaii again and again.

While the intentions of SB83 SD1 may be for consumer protection, we believe this bill is overreaching, as it lumps together a wide variety of service disruptions that need to be handled individually.

The penalties and timeframes suggested, and the requirement to notify everyone within all forms of communication also does not take into consideration the localized nature of most of the identified impacts.

For example, one of our member properties has more than 600 hotel rooms. If they receive a complaint about bed bugs, causing a service disruption, they immediately address it by relocating the guest to another room, closing the impacted and adjoining rooms on both sides, and calling in a pest inspector for service. The pest inspector then needs to verify if there is indeed an infestation, as guests may have experienced some other skin irritation they attributed to bed bugs – when bed bugs were not the issue. But if there is indeed an infestation, the pest control company has established protocols for treating it before it certifies that those rooms can be reopened. We believe that policy adequately addresses the challenge, without unnecessarily damaging the reputation and experience of the guests staying in the other 597 rooms at the property.

The timeframes for resolution of service disruptions identified in this bill also does not acknowledge the reality experienced by neighbor island hotels to get the necessary professionals in house to remedy those disruptions. For example, the primary elevator service companies are located on Oahu, and specialized parts often need to be transported to the neighbor islands. Therefore, it can sometimes take a number of days to repair an elevator. While that repair is in process, we will always communicate with guests currently staying at a property and provide alternatives, such as where

to find elevators that are functional, or changing the location of their room to a different floor in order to avoid the need for an elevator. But we believe it would be excessive to inform our travel/trade partners of the repair of the elevator, as that repair would be completed before guests booking through those partners arrived at the property.

Sometimes severe weather will cause a disruption, and we'll be forced to close our pools or ocean access for a limited period of time. In those events, we notify all the guests staying with us of the disruption through all communications channels, and we wait for the all clear from Civil Defense and emergency management agencies before we reopen, as our guests' safety is our highest priority. We believe it would be excessive to place notify our travel wholesaler partners and place notices on our websites and social media channels informing everyone that our pool is closed, as it is a temporary event that will be remedied when the storm passes.

If we close a pool because of refurbishments, we inform our guests staying with us during that refurbishment, and provide alternatives – such as the use of a pool at a neighboring property.

We believe this bill unnecessarily targets **hotels** for service disruptions, when many of the issues identified (closure of elevators, pest infestations) could disrupt service at government buildings and state facilities, and other business establishments including malls, retail outlets, restaurants, condos, etc.

On behalf of our 5,500 employees and the 17,500 Hawaii Island residents they support, mahalo for the opportunity to provide our comments opposing Bill SB 83 SD1.

Sincerely,



Stephanie Donoho, Administrative Director

Craig Anderson, VP Operations, Mauna Kea Resort –President
Pat Fitzgerald, CEO, Hualalai Investors – Vice President
Charlie Parker, General Manager, Four Seasons Hualalai – Secretary
Daniel Scott, Managing Director Rosewood Kona Village – Treasurer
Chris Sessions, DOSM, Fairmont Orchid – Board of Directors
Scott Head, VP Resort Operations, Waikoloa Land Company – Board of Directors
David Givens, General Manager, Hilton Waikoloa Village – Board of Directors
Rob Gunthner, Area VP Resort Operations, Hilton Grand Vacations – Board of Directors
Pete Alles, Regional VP and GM, Mauna Lani, Auberge Resorts Collection – Board of Directors
Mark Goldrup, General Manager, Waikoloa Beach Marriott – Board of Directors



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The Thirty-Third Legislature
The Senate
Committee on Commerce and Consumer Protection
Committee on Judiciary

Testimony by
Hawaii State AFL-CIO

February 21, 2025

LATE

TESTIMONY IN SUPPORT OF SB83 SD1 - RELATING TO HOTELS

Chairs Keohokalole and Rhoads, Vice Chairs Fukunaga and Gabbard, and members of the committees:

The Hawaii State AFL-CIO is a state federation of 76 affiliate labor organizations representing over 69,000 union members across Hawaii in industries including healthcare, construction, hospitality, entertainment, transportation, and government. The Hawaii State AFL-CIO serves its affiliates by advocating for the rights of working families, promoting fair wages, safe working conditions, and policies that strengthen Hawaii's workforce.

We are in support of SB83 SD1, which requires hotelkeepers to provide adequate notice of service disruptions to guests and third-party vendors under certain conditions. As the backbone of Hawaii's economy, tourism depends on the trust and satisfaction of our visitors. Service disruptions such as renovations or labor disputes can affect a guest's experience and tarnish Hawaii's reputation as a world-class destination. Requiring hotels to notify guests of potential disruptions helps maintain transparency and strengthens the industry's commitment to visitor satisfaction.

Respectfully submitted,

Randy Perreira
President

Committee On Commerce and Consumer Protection
Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

Committee on Judiciary
Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair

Testimony in strong support of SB 83 and SB 182, with proposed amendments

Chairs Keohokalole and Rhoads, Vice Chairs Fukunaga and Gabbard, and Members of the Committees,

UNITE HERE Local 5 represents over 10,000 Hawaii workers in hotels, health care, airports and food service. We stand in strong support of both SB 83 and SB 182, but urge the Committees to amend one of the two as described below and pass that one. In order for our state's most prominent industry to thrive, visitors should have the opportunity to plan around any complications that might arise during their trips. It does not benefit anyone in the industry for visitors to leave Hawai'i upset about aspects of their time here. Where it is possible to inform guests about disruptions and help them plan around inconveniences, we should require hoteliers to do so.

Over the past years, several hotels have conducted construction projects or experienced strikes. As *USA Today* noted, visitors staying at or attending conferences at some strike-affected hotels have claimed they were not notified of the labor disputes and were upset about these omissions. According to the article:

Sylvia Clark, who stayed at the resort between Sept. 30 to Oct. 5, was one of the chanting guests. "It was nerve wracking," she told USA TODAY. "But I felt it was very unfair of Hilton not to let their guests know way ahead of time that this could be a possibility."

Clark was told about the strike less than three days before she and her family hopped on a plane from California to Oahu – and the news came from Costco, who she booked through, not the hotel. "For us, it was too late," she said.

- "Piles of dirty towels and long lines: Hawaii hotel guests describe conditions amid strikes," *USA TODAY*, 10/14/2024.

Some guests at striking hotels provided statements to workers. For example, one guest told us:

We're here for nine days, but unfortunately they didn't let us know what was going on prior to our arrival, so when we got here they let us know that we won't be having access to any amenities, no room service, no housekeeping, no valet parking; like, a lot of things that we were used to having all those things; and we come to hang out, relax, not having to clean our own room, but it's unfortunate what's happening, I hope it gets resolved soon.

Construction noise, vibration, dust and related closures of services can also impact the guest experience. A 2024 article in the Vietnamese publication *Tuói Tre News* states :

Sound from drills and the impact of equipment and machines from morning till night at the construction site at 254 Vo Nguyen Giap Street have bothered guests in many nearby hotels since the start of 2024.

“Multiple tourists have canceled room bookings, left negative reviews, and given low scores for the affected hotels. Meanwhile, several guests left the noise-hit hotels at midnight due to noise pollution,” according to a petition written by hoteliers in Da Nang.*

- “Hotels in Da Nang plagued by noisy construction,” *Tuoi Tre News*, 1/16/2024. (Note: in this example, the construction was not onsite at the hotels, but rather nearby; this would not be covered by HB 594; but it would apply where hotels conduct construction projects on-site while their properties remain open.)

In each case, hoteliers knew of the possibility of disruptions before they happened, and had the choice to pass that information to their guests; some chose not to. Had they done so, guests could have planned accordingly and had a better experience.

Local 5 has attempted to inform consumers by reaching out to meeting planners and to visitors prior to their arrival in Hawai'i to make them aware of potential strikes, but we do not have the information that hotels have about future bookings. We have also reached out to guests while they were in Hawai'i during disruptive periods, providing them with tools they could use to redress their grievances. Based on these experiences, it is clear to us that a better practice is possible, that it would benefit the whole industry, and that SB 83 would provide the necessary incentives to ensure visitors who may be impacted by service disruptions have notification and recourse.

In order to make the bill most effective, we recommend making the following amendments, in descending order of importance:

Modify the definition of “Service disruption” as follows:

“Service disruption” means any of the following conditions ~~that substantially affects or likely to substantially affect a guest’s use of a room or hotel service:~~

* * *

~~(7) Any strike, lockout or picketing activity or other demonstration or event occurring for a calendar day or more at or near the hotel~~other work stoppage; or

(8) Any lawful picketing or demonstration at or adjacent to the hotel (A) that creates noise that disturbs a guest of the hotel; or (B) of which the operator has notice and that is likely to create noise that may disturb a guest of the hotel.

Provide consumers a means of recourse through a private right of action by adding the following as Section 486K-__ (f) and renumbering. The amounts below (\$1,000 or three times the damages sustained by the plaintiff) are suggestions and :

(f). Any person who is injured by any violation of this section may:

(1) Sue for damages sustained by the person, and, if the judgment is for the plaintiff, the plaintiff shall be awarded a sum not less than \$1,000 or threefold damages by the plaintiff sustained, whichever sum

is the greater, and reasonable attorney's fees together with the costs of suit; and

(2) Bring proceedings to enjoin the unlawful practices, and if the decision is for the plaintiff, the plaintiff shall be awarded reasonable attorney's fees together with the costs of suit.

The remedies provided in this section are cumulative and may be brought in a single action.

Clarify Section 486K-__ (e) as follows:

(e) Any keeper that violates or causes another person to violate this section shall forfeit to the injured party three times the amount of (1) the sum charged in excess of what the keeper is entitled to for each day that a notice was required under Section 486K(a), (b) and/or (d) but not given; and (2) any fee, penalty, or other charge or deposit retained in violation of Section 486K(c).

Modify the bill's section 486K-__ (d) as follows:

HRS 486k-__ (d). At the onset of a service disruption, (i) the keeper shall immediately and clearly notify all guests and hotel service users of the service disruption pursuant to subsections (a) and (b).
Regardless of whether the keeper provides such notice, a guest may terminate any remaining period of a reservation, booking, or agreement for the use of a room or hotel service and the keeper shall not impose any fee, penalty, or other charge for the termination or retain any deposit related to any unused portion of the period of the reservation, booking, or agreement following the onset of the service disruption.

With these changes, this legislation could go a long way toward protecting consumers and maintaining a positive image of Hawai'i even for those who face service disruptions. Thank you.