



February 20, 2025

Hawaii Senate Commerce and Consumer Protection Committee Hawaii State Capitol, Room 205 415 South Beretania Street Honolulu HI 96813

Re: Travel Tech Opposition to Senate Bill 1035

Dear Chair DeCoite, Vice Chair Wakai, and Members of the Senate Economic Development and Technology Committee:

On behalf of the Travel Technology Association (Travel Tech) and our members, I thank you for the opportunity to submit the following comments concerning SB1035, which concerns pricing display for accommodations.

Travel Tech represents the leading innovators in travel technology, including online travel agencies (OTAs), metasearch companies, travel management companies, and short-term rental platforms. Our members' vital role in the travel and tourism industry empowers consumers, creates a fair and competitive marketplace, fosters accountability, and promotes positive customer experiences.

Promoting transparency is a top priority for Travel Tech and its members. It is essential that travelers make informed decisions without hidden fees or unexpected expenses. When travelers have complete pricing details, they can accurately compare different options and make choices that align with their preferences and budget. This transparency enables travelers to plan more effectively and promotes fair marketplace competition.

Last month, the Federal Trade Commission issued a final rule in a bipartisan vote to address price transparency in the accommodations and the live events industries. This final rule is effective on May 12, 2025. It defines "total price" as "the maximum total of all fees or charges a consumer must pay for any good(s) or service(s) and any mandatory ancillary good or service, except that government charges, shipping charges, and fees or charges for any optional ancillary good or service may be excluded." The final rule requires that businesses disclose the Total Price up front when advertising any prices and display it more prominently than other price information. Before customer payments, businesses must also disclose the purpose of all charges and the final amount of payment. Importantly, the FTC rule empowers state attorneys general to enforce its provisions, ensuring effective enforcement across the country and in your state.

As the accommodations industry must comply with the Federal Trade Commission's (FTC) final rule on price transparency, and given that the Hawaii Attorney General has the authority to

¹ **Federal Trade Commission. (2024).** *Trade Regulation Rule on Unfair or Deceptive Fees.* 16 CFR Part 464. Federal Register, 89(21216). Retrieved from Federal Register



enforce this rule, we respectfully request that SB1035 be withdrawn. Establishing separate state regulations could create unnecessary complications, potentially harming both consumers and Hawaii's tourism economy.

With the pricing display resolved at the federal level, introducing state-specific requirements risks creating conflicting standards that could complicate compliance and undermine consumer clarity. We respectfully request that you defer to the established federal measures to ensure a streamlined, effective approach to price transparency.

Thank you for your careful consideration of this matter.

Sincerely,

Laura Chadwick President & CEO

The Travel Technology Association

Lawsa Chadwick

www.traveltech.org

CC:

The Honorable Chris Lee

The Honorable Stanley Chang

The Honorable Troy Hashimoto

The Honorable Angus McKelvey

The Honorable Karl Rhoads

The Honorable Tim Richards



AMERICAN HOTEL & LODGING ASSOCIATION



February 20, 2025



Senator Jarrett Keohokalole, Chair,
Senator Carol Fukunaga, Vice Chair,
and Members of the Committee on Commerce and Consumer Protection

Senator Karl Rhoads, Chair, Senator Mike Gabbard, Vice Chair, and Members of the Committee on Judiciary

Hearing: Senate Committee on Commerce and Consumer Protection

Senate Committee on Judiciary

Date:

Friday, February 21, 2025

Time:

10:10 a.m.

Place:

Conference Room 016 & Videoconference

State Capitol

415 South Beretania Street

Testimony in Support of SB 1035, SD1

Relating to Consumer Protection

Aloha Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee on Commerce and Consumer Affairs, Chair Rhoads, Vice Chair Gabbard and Members of the Committee on Judiciary:

Hawaii Hotel Alliance ("HHA") and American Hotel & Lodging Association ("AHLA") believe fully transparent pricing from the outset of a consumer's transient accommodations booking in Hawai'i is paramount to their proper experience of aloha, which is why we are proud to support SB 1035, SD1.

SB 1035, SD1 aligns Hawai'i with the industry-supported Federal Trade Commission's Final Rule on Unfair or Deceptive Fees governing short-term lodging rates and live-ticket events set to be effective May 12, 2025.

Under the final FTC Rule, all hotels, motels, short-term rentals, online travel agencies, metasearch sites, short-term rental platforms, and other entities that offer, list, advertise, or display transient accommodations must transparently disclose all mandatory fees or charges in the initial advertised price and then include government-imposed taxes and fees at the point of sale.

Importantly, SB 1035, SD1 would enshrine the FTC Rule into statute and ensure Hawai'i consumers are protected from undisclosed mandatory fees regardless of actions taken at the federal level.

Several hotel brands have already shifted to upfront display of resort and other mandatory fees rather than prior to the finalization of a booking transaction. The FTC Rule and SB 1035, SD1 brings parity to the lodging industry, which is critical to ensure that a consumer experiences the same pricing transparency, no matter the transient accommodations type or distribution channel.

For these reasons, HHA and AHLA are proud to support SB 1035, SD1 and thank the Senators for bringing this important measure forward.

Hawaii Hotel Alliance

Gerard Gibson

American Hotel & Lodging Association

Kekoa McClellan