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February 20, 2025

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," *Tuói 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<u>other</u> 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 subjections (a) and (b) $\frac{1}{2}$. Regardless of whether the keeper provides such notice, at 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.





February 19, 2025

Senator Jarrett Keohokalole, Chair Committee on Commerce and Consumer Protection Senator Karl Rhoads, Chair Committee on Judiciary Senate Hawaii State Legislature

Comments and Opposition on SB 182 SD1

Dear Chair Keohokalole, Chair Rhoads and Members of the Senate Committees on Commerce and Consumer Protection and Judiciary,

Thank you for the opportunity to provide our comments and opposition to SB 182 SD1. We oppose this bill because it will be very impractical to implement.

Work slowdowns and disruptions are generally unannounced, and we would often not have the opportunity to provide the 24-hour advance notice that this bill would require. In addition, in the case of a strike, the duration is also undefined, meaning that neither side (the hotelkeepers nor the employees) knows exactly when the negotiations will be settled, and the strike will end. Therefore, if a strike began today, we would not know what to tell guests arriving tomorrow or next week, as the negotiations would be ongoing, and conditions are always subject to change.

Therefore, due to the fluidity and unpredictability of a strike or a worker slowdown, providing advance notice is like predicting the eruptions of Kilauea. We usually don't know when the eruption will begin, how long it will last, and how broad the impacts will be at the outset.

All of that said, we take our responsibilities as hosts very seriously and work diligently to inform guests arriving at our properties of service disruptions that could impact their stay. In the case of a strike specifically, we would pull unimpacted employees and management team members from other service areas, and reach out to our sister properties on other islands, to get the necessary support to fulfill guests expectations.

We'd also like to share that each guest's experience is unique. A restaurant closure as a result of a strike would mean different things to a family of four coming on holiday without a car (and no access to alternative dining options), than it would to a convention attendee, whose food and beverage needs would be filled by our catering department. We need the flexibility to address the needs of those different visitors in different ways. Our business is built on repeat business and guest loyalty. We do our very best to protect the reputation of our brands, our destination, and the dreams of visitors who have saved to come to Hawaii, during these challenging circumstances.

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 182 SD1.

Sincerely,

Stephanie Donoho, Administrative Director

Stephanie P. Donoko