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The Thirty-Third Legislature
House of Representatives
Committee on Judiciary & Hawaiian Affairs

Testimony by
Hawaii State AFL-CIO

February 13, 2025

TESTIMONY IN SUPPORT OF HB594 HD1 - RELATING TO HOTELS

Chair Tarnas, Vice Chair Poepoe, 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 support HB594 HD1, which requires hotelkeepers to provide adequate notice of service disruptions to guests and third-party vendors under certain conditions. Tourism is the backbone of Hawaii's economy, and it 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,

A handwritten signature in black ink, appearing to read "Randy Perreira".

Randy Perreira
President



February 11, 2025

Representative David Tarnas, Chair
Representative Mahina Poe Poe, Vice Chair
Committee on Judiciary and Hawaiian Affairs
House of Representatives
Hawaii State Legislature

Comments and Opposition to HB594 HD1

Dear Chair Tarnas, Vice Chair Poe Poe, and Members of the Committee on Judiciary and Hawaiian Affairs,

Thank you for the opportunity to provide our testimony and comments in opposition to HB594 HD1.

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 those events happen, our hotel members manage them immediately, through corporate policies established by their respective brands, and in direct partnership with the impacted guests. The 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 a complimentary meal, an alternative experience, or access to an amenity not currently available at one hotel, in partnership with another.

The requirement of the hotelier to pay \$1,000 or forfeit to the party three times the amount of the sum charged is not only excessive, it does not adequately address that many guests expectations are not met solely 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 that is tailored to their needs.

At the KCRA, our hotel members’ reputations depend on their capacity to anticipate the impact of those disruptions. We also 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.

This legislation groups together a wide variety of disruptions that we believe are already being effectively managed by the hotels. The penalties and timeframe suggested, and the requirement to notify everyone within all forms of communication is onerous, and 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, 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. If there is indeed an infestation, the pest control company has established protocols for treating it, before it certifies in writing to the hotel management that those rooms can safely 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.

The timeframes for resolution of service disruptions identified in this bill also do not acknowledge the reality experienced by neighbor island hotels. For example, the primary elevator service companies are located on Oahu, and specialized parts often need to be transported between the islands. Therefore, it can sometimes take a number of days to repair an elevator.

While that repair is in process, we always communicate with the guests currently staying at the property and provide alternatives: such as where to find alternative elevators that are functional, or changing the location of the guest's room to a different floor, in order to avoid the need for an elevator. But it would be excessive to inform our travel/trade partners of the repair of the elevator, as that repair would be completed before booking through those services 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 to protect health and safety. 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. The safety of our guests and team members is our highest priority. But it would be excessive to place a notice in our advertisements, websites and social media channels that our pool is closed, as this is a temporary event that will be resolved shortly.

Examples like these show, that although this bill was crafted with the best of intentions, it is overreaching, excessive, and does not adequately address the unique needs and desires of our guests.

This bill also unnecessarily targets hotels for service disruptions, when many of the issues identified (closure of pools, elevators, pest infestations) could disrupt service at many other business establishments throughout the state, 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 HB594 HD1.

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



Cade Watanabe, Financial Secretary-Treasurer

Gemma G. Weinstein, President

Eric W. Gill, Senior Vice-President

February 12, 2025

Committee On Judiciary & Hawaiian Affairs
Rep. David Tarnas, Chair
Rep. Mahina Poepoe, Vice Chair

Testimony in strong support of HB 594 HD1

Chair Tarnas, Vice Chair Poepoe, and Members of the Committee,

UNITE HERE Local 5 represents over 10,000 Hawaii workers in hotels, health care, airports and food service. We stand in strong support of HB 594 HD1. 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 trips. 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 could have passed that information to their guests, but 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 HB 594 HD1 would provide the necessary incentives to ensure visitors who may be impacted by service disruptions have notification and recourse.

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.