

UNITE HERE!

LOCAL  HAWAII

Eric Gill, Financial Secretary-Treasurer

Hernando Ramos Tan, President

Godfrey Maeshiro, Senior Vice-President

Monday, February 2, 2015

The Honorable Tom Brower, Chair
and Members
Committee on Tourism
Hawaii State House of Representatives

TESTIMONY submitted on behalf of UNITE HERE! Local 5
Re: HB 854, Relating to Service Charges

Chair Brower and members:

UNITE HERE Local 5 is a local labor organization representing 10,000 hotel, health care and food service workers employed throughout our State. We stand in strong support of HB 854 and ask for your Committee's support in advancing the measure.

HB 854 is designed to amend HRS 481B-14 relating to hotel or restaurant charges to specifically include "porterage" as an applicable service charge as outlined in the current statute.

In 2000, the Legislature found that service charges for the sale of "food or beverage" services shall be distributed directly to its employees as tip income. HB 854 would simply treat "porterage" in the same way as it is a service charge passed on to consumers for services rendered by employees.

Porterage, like standard "food or beverage" service charges is a common charge passed on to guests.

We ask for the Committee's support in moving HB 854 forward.

Thank you.

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, January 31, 2015 3:21 PM
To: TOUtestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for HB854 on Feb 4, 2015 09:30AM*

Categories: CN

HB854

Submitted on: 1/31/2015

Testimony for TOU on Feb 4, 2015 09:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

The Twenty-Eighth Legislature
Regular Session of 2015

LATE

HOUSE OF REPRESENTATIVES
Committee on Tourism
Rep. Tom Brower, Chair
Rep. Takashi Ohno, Vice Chair
State Capitol, Conference Room 312
Wednesday, February 4, 2015; 9:30 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 854
RELATING TO SERVICE CHARGES**

The ILWU Local 142 supports H.B. 854, which requires hotels to distribute portage service charges to employees in full or disclose to customers that the charges are being used for other purposes.

A plain definition of “porterage” is, as stated in the bill, “the act of moving luggage, bags, or parcels between a guest room and a lobby, front desk, or any area with vehicular access at a hotel, hotel-condominium, or condominium-hotel.” However, in a hotel, porterage is generally a service charge assessed by the hotel for each person in a group. Porterage is charged to the organization making reservations for a group movement. In this sense, porterage is very similar to the service charge by hotels and restaurants for group dining services such as a banquet.

Courts have ruled that any service charges assessed for a group function, like a banquet, and paid under contract by a single entity must be provided in full to the servers and other employees who are working at the function—unless management discloses to the entity entering into the contract that the service charge will be used for other purposes. Following the court rulings, hotels and restaurants have, in fact, made such disclosures in order to retain a portion of the service charges for their own use.

Service charges are considered gratuities, or tips, by the general public with the expectation that these service charges will be paid to the workers providing the service. Most consumers do not believe they should provide a gratuity to management, which already charges them a fee for the goods or services provided. If the fee charged by management is insufficient, management may increase the fee accordingly. Retaining the service charge or, in the case of H.B. 854, the porterage, amounts to assessing an additional fee without the customer’s knowledge.

H.B. 854 recognizes that most people assume that service charges and porterage fees are paid as gratuities to the employees doing the work—i.e., the waiters and bussers who are tending to their food and beverage needs at the banquet and the bell staff who are transporting luggage to their rooms. H.B. 854 provides clear guidance that porterage is to be provided in full to the employees providing porterage services. And, similar to service charges for food and beverage services, management may retain a portion of the porterage if a clear disclosure is made to the purchaser of service.

The ILWU urges passage of H.B. 854. Thank you for the opportunity to provide testimony on this measure.

LATE

LATE TESTIMONY

Alan Pi'iohia
Doorman, Aston Waikiki Beach Hotel
812 Olokele Ave, Apt F, Honolulu, HI 96816

My name is Alan Pi'iohia, and I work at the Aston Waikiki Beach Hotel. I'm employed as a doorman. I'm a single father of a 9 year old girl. I take my responsibility to my family and to my community very seriously.

I've worked in the hotel industry for 10 years. I've worked in four different hotels. Each job I work I think it can't get worse, and then it does.

I've been at the Aston Waikiki Beach for almost 3 years. I get paid \$9.20 per hour. I started as a Bell Attendant making minimum wage. Today, Bell Attendants still start at minimum wage, minus the tip deduction, so only \$7.25 an hour. In our department, they've combined jobs, so one person has to both park cars and move bags.

We rely on our tips. We rely on our portorage.

Portorage is the money that groups pay to a hotel so that their bags will get moved from the airport to their rooms when they arrive, and then back out from their rooms and back to the airport when they leave. We never get to see these guests, these guests never see how the bags arrive in their rooms and the tour coordinators inform the guests that they don't need to tip us because they have already paid a portorage fee.

But we don't think management is paying us everything they charge the guests.

We ask to see the contracts and they deny us. We ask if the hotel is keeping a percentage of the portorage charges and they won't answer us. Several years ago, one of our managers got fired - I heard it was because he was trying to find out where our portorage was going. Long term workers say that the amount of portorage has decreased and the share that we keep has decreased. The truth is we don't know. But if they are paying us 100%, why won't they show us the facts?

There is a food and beverage service charge law in this state that protects food and beverage workers. Our situation is exactly the same. Why can't the law protect us too?