

LINDA LINGLE  
GOVERNOR  
MARSHA WIENERT  
TOURISM LIAISON

## TOURISM LIAISON

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 586-2362  
Fax: (808) 586-2370

Statement of  
**MARSHA WIENERT**  
**Tourism Liaison**  
Department of Business, Economic Development & Tourism  
before the  
**HOUSE COMMITTEE ON FINANCE**  
Friday, February 27, 2009  
3:00 p.m.  
State Capitol, Conference Room 308

in consideration of  
**HB 1763 HD1**  
**RELATING TO THE HAWAII TOURISM AUTHORITY.**

Chair Oshiro, Vice Chair Lee and Members of the House Committee on Finance.

The Department of Business, Economic Development and Tourism has concerns with HB 1763 HD1, which repeals the Hawai'i Tourism Authority; establishes the Department of Tourism; transfers the Convention Center Enterprise Special Fund, Tourism Special Fund, and Tourism Emergency Trust Fund to the Department of Tourism; and renames the Department of Business, Economic Development, and Tourism to the Department of Business and Economic Development.

The current structure allows the opportunity for experienced industry professionals to be directly involved in the policy and decision-making process. These industry professionals have a vested interest in the success of tourism and we believe that their experience and knowledge is critical in the decision-making process.

We also believe that the bureaucracy associated with state agencies may hamper this new department's ability to act swiftly as market conditions change and react to tourism's unique dynamics.

Additionally, due to our current tourism and economic challenges, we do not believe that now is the time to make these changes.

We would be willing to discuss this matter in the future, to determine its merit, however we cannot support HB 1763 HD1 at this time.

Thank you for the opportunity to comment on this measure.



Travel should take you places\*

**TESTIMONY OF JERRY GIBSON  
AREA VICE PRESIDENT, HILTON HAWAII  
February 27, 2009**

**RE: HB 1763 HD1 Relating to the Hawaii Tourism Authority**

Good afternoon Chairman Oshiro and members of the House Committee on Finance. Thank you for holding this hearing and allowing the members of the visitor industry to submit testimony to you.

Our Hilton Hawaii portfolio spans four islands: Oahu, Maui, Kauai and the Big Island and represents more than 7,000 hotel guest rooms and timeshare units. Our Hilton Hawaiian Village is the largest hotel in Hawaii with its 3,543 hotel and timeshare units.

Hilton Hawaii strongly opposes HB 1763 HD1 Relating to the Hawaii Tourism Authority (HTA) statute, which would replace HTA with a Department of Tourism. We do not support this change.

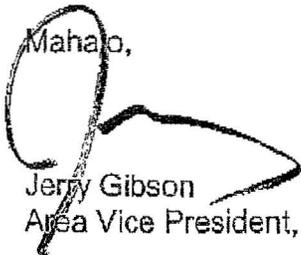
The current structure of HTA provides the opportunity to utilize the expertise of seasoned industry professionals to be directly involved in the policy-making and decision-making process. Access to these individuals' experience is critical when setting policy for Hawaii's number one industry.

We are concerned that a government agency such as the proposed Department of Tourism would not have the ability to be flexible and nimble, to react quickly during situations such as the one we are experiencing today.

We feel that the HTA has been successful in helping keep Hawaii's tourism industry healthy and that establishing a new government department at this critical juncture is certainly not in our best interest.

We urge you to hold this bill.

Mahaio,



Jerry Gibson  
Area Vice President, Hilton Hawaii

---

*The New Otani*  
KAIMANA BEACH HOTEL

Executive Offices

**Testimony of J-P Cercillieux  
E.V.P & General Manager  
The New Otani Kaimana Beach Hotel**

**February 27, 2009**

**RE: HB 1763 HD1 relating to the Hawaii Tourism Association**

Good afternoon Chairman Oshiro and members of the House Committee on Finance. My name is J-P Cercillieux, E.V.P & General Manager of the The New Otani Kaimana Beach Hotel.

Based on my 37 years of Hotel/tourism experience around the world in which 14 years here in Hawaii and my observation on the evolution of HTA since its birth I do not think nor believe that the timing is right for such big change and suggest we ought to give the HTA better guidance and support to succeed fully in its mission.

For that reason I urge you to hold on this bill.

With best Aloha

JP Cercillieux  
The New Otani Kaimana Beach Hotel

On the Beach at Waikiki

*The New Otani Group of Hotels  
Tokyo, Osaka, Makuhari, Los Angeles, Singapore, & Beijing*

2863 Kalakaua Avenue / Honolulu, Hawaii 96815 / Telephone: (808) 923-1555 / FAX: (808) 922-9404

# C L A S S I C R E S O R T S

---

February 25, 2009

Hawaii Finance Committee

Subject: HB 1763 & HB 754 HD 1

I am writing in opposition to these bills. In these extremely difficult economic times, now is not the time to re-invent the wheel by reorganizing the Hawaii Tourism Authority. Why not focus on increasing the funding for HTA so that it can continue promoting the State's most necessary industry.

The people that HB 754 would eliminate from the HTA are critical to the enhancement of the guest experience.

These bills are unnecessary and ill-conceived diversions in this critical period of tourism marketing.

Thank you for considering my input.

Sincerely,  
Classic Resorts Limited



Jeff Halpin  
President

P.S. Classic Resorts employs over 250 people in the visitor industry.



**HAWAII HOTEL & LODGING**

**A S S O C I A T I O N**

2270 Kalakaua Ave., Suite 1506  
Honolulu, HI 96815  
Phone: (808) 923-0407  
Fax: (808) 924-3843  
E-Mail: [hhla@hawaiihotels.org](mailto:hhla@hawaiihotels.org)  
Website: [www.hawaiihotels.org](http://www.hawaiihotels.org)



31<sup>st</sup> Anniversary  
Are You Walking???  
May 16, 2009  
(Always the 3<sup>rd</sup> Saturday in May)  
[www.charitywalkhawaii.org](http://www.charitywalkhawaii.org)

**TESTIMONY OF MURRAY TOWILL  
PRESIDENT  
HAWAII HOTEL & LODGING ASSOCIATION**

**February 27, 2009**

**RE: HB 1763 HD1 Relating to the Hawaii Tourism Authority**

Good afternoon Chairman Oshiro and members of the House Committee on Finance. I am Murray Towill, President of the Hawaii Hotel & Lodging Association.

The Hawaii Hotel & Lodging Association is a statewide association of hotels, condominiums, timeshare companies, management firms, suppliers, and other related firms and individuals. Our membership includes over 170 hotels representing over 47,300 rooms. Our hotel members range from the 2,523 rooms of the Hilton Hawaiian Village to the 4 rooms of the Bougainvillea Bed & Breakfast on the Big Island.

The Hawaii Hotel & Lodging Association opposes HB 1763 HD1 Relating to the Hawaii Tourism Authority. This bill would repeal the Hawaii Tourism Authority ("HTA") statute and replace it with a Department of Tourism. We do not support this change.

We support the existing HTA structure because it provides the opportunity for experienced industry professionals to be directly involved in the policy making and decision making process. Access to this experience is critical when setting policy for an industry critical to Hawaii's long-term economic health.

As we have seen in recent months, economic circumstances can change quickly. We are concerned that a Tourism Department will not have the flexibility or leadership to respond quickly and effectively.

A decade ago when the HTA was created, we supported a increase in the Transient Accommodations Tax to help fund its mission. The HTA has been successful in helping Hawaii weather serious recent economic problems. We urge you not to change this structure especially now as we are facing our most serious economic challenges in over 2 generations.

We urge you to hold this bill. Mahalo again for this opportunity to testify,

**STARWOOD**

HOTELS &amp; RESORTS WORLDWIDE, INC.

Keith Vieira

Senior Vice President, Director of Operations

February 25, 2009

To: House Committee on Tourism, Culture &amp; International Affairs

Fr: Keith Vieira, Senior Vice President for Starwood Hotels &amp; Resorts Worldwide

Re: HB 1763, HD1 relating to the HAWAII TOURISM AUTHORITY hearing on Friday February 27<sup>th</sup>, 2009 at 3:00pm at the State Capitol, Conference Room 308.

Aloha Chair Manahan and Members of the Committee:

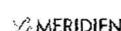
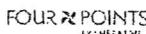
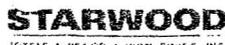
My name is Keith Vieira, Senior Vice President for Starwood Hotels & Resorts Worldwide. I am testifying on behalf of Starwood in opposition to the new structure proposed by HB 1763, relating Hawaii Tourism Authority.

HB 1763 will eliminate HTA and will create a Department of Tourism. We do not support the proposal of a new structure and we believe that HTA will provide a more effective achievement of the goals and responsibilities proposed for the Department of Tourism.

The reasons HTA was created was to have dedicated funding with an independent body that endorses input from industry leaders on strategic plans and other decisions made on behalf of the state and we believe this is a critical aspect to the tourism industry in Hawaii. The benefits of HTA have had an evident effect on the tourism industry however we believe the proposed Department of Tourism will re-create problems of the past consistent with potential fluctuating funding.

For these reasons, we respectfully request that this bill be rejected.

As always, I thank you for the opportunity to share our views on this matter.



HOUSE OF REPRESENTATIVES  
25<sup>th</sup> LEGISLATURE  
REGULAR SESSION of 2009

COMMITTEE ON FINANCE  
Representative Marcus Oshiro, Chair

2/27/09  
3:00 PM – Room 306

HB 1763, HD 1  
Relating to Hawaii Tourism Authority (HTA)

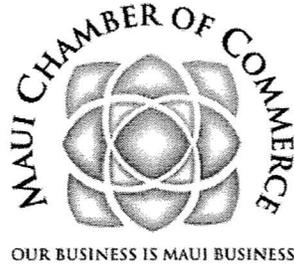
Chair Oshiro and members of this Committee, my name is Max Sword, here on behalf of Outrigger Hotels, to speak in opposition to this bill.

In the past the tourism-marketing was under the direction of the Department of Business, Economic Development & Tourism (DBEDT). Because DBEDT was a government agency and had to work under a process that is required of a State department, it was very cumbersome. That arrangement did not allow for one of the important pillars in worldwide marketing, flexibility to adjust to change.

This bill would return tourism marketing back to the “dark ages” of inflexible marketing efforts, which is why the HTA was formed in the first place. This is a step backwards, not forward.

We urge that you hold this bill.

Mahalo for allowing me to testify.



**Testimony to the House Finance Committee  
Conference Room 308, State Capitol  
Friday, February 27, 2009; 3:00p.m.**

**RE: HOUSE BILL NO. 1763**

Dear Chair Marcus Oshiro & Members of the Committee:

The Maui Chamber of Commerce, a business organization whose mission it is to advance and promote a healthy economic environment for business, advocating for responsive government and quality education, while preserving Maui's unique community characteristics, opposes HB 1763, relating to a HTA Repeal.

We are a membership driven organization comprised of over 900 members, 88% of which are small businesses with fewer than 25 employees, representing nearly 21,000 employees. We oppose this bill which proposes to abolish the Hawaii Tourism Authority (HTA) and establish a Department of Tourism.

The HTA was established to have one entity responsible and accountable for all aspects of tourism—policy development, marketing and market development, product development and impact monitoring. It operates, as recommended, as a public-private board, which experienced industry professionals, to assure that promotion dollars are effectively expended. We feel this is an important organization that has generated significant results and now is not the time to make this suggested change. Not only does changing the structure at this time seem inappropriate, the bill would void all contractual obligations of the HTA upon its repeal which will have disastrous results for HTA's marketing, sports, and product development programs.

For these reasons we oppose H.B. 1763 and ask that you do the same.

Sincerely,

Pamela Tumpap  
President



*Maui Hotel & Lodging*  
ASSOCIATION

Testimony of  
**Carol Reimann**  
Executive Director  
Maui Hotel & Lodging Association  
on  
**HB1763**  
**Relating to the Hawaii Tourism Authority**

House Committee on Finance  
Friday, February 27, 2009 – 3pm  
Conference Room 308

The Maui Hotel & Lodging Association (MHLA) is the legislative arm of Maui's Visitor Industry. Our membership includes approximately 120 property and allied business members – all of whom have an interest in the visitor industry.

MHLA opposes HB1763 entitled Relating to the Hawaii Tourism Authority (HTA). Since its inception in 1998 upon the recommendation of the Economic Revitalization Task Force, the HTA has been responsible for all aspects of tourism. From policy setting to marketing and product development, HTA has been instrumental in managing our visitor industry.

Hawaii's visitor industry is the economic driver for the State. Additionally, our entire economy continues to struggle during these tough economic times. Abolishing the HTA at this time would have a negative effect on many of our current marketing, product development & sports initiatives; and would exacerbate an already vulnerable economy.

We humbly ask for your opposition of HB1763.

Thank you for the opportunity to provide these comments.



February 27, 2009

Hawaii State Capitol  
House Committee on Finance  
415 South Beretania Street  
Honolulu, HI 96813

**TESTIMONY OF EDGAR GUM  
GENERAL MANAGER  
MARRIOTT'S KO OLINA BEACH CLUB**

**RE: HB 1763 HD1 Relating to the Hawaii Tourism Authority**

Chairman Oshiro and members of the House Committee on Finance:

My name is Edgar Gum, General Manager of Marriott's Ko Olina Beach Club. Our resort is one of ten Marriott properties in the State of Hawaii that employs over 5,000 associates.

Marriott's Ko Olina Beach Club opposes HB 1763 HD1 Relating to the Hawaii Tourism Authority. We do not support the repeal of the Hawaii Tourism Authority (HTA) statute and the replacement of it with a Department of Tourism.

Currently, HTA allows for industry professionals to be involved in the policy and decision making processes relating to the hospitality industry. A newly formed Tourism Department may not have the ability to respond quickly and effectively to challenges during these difficult economic times.

Since its creation, the HTA has been successful in assisting the industry when experiencing economic problems and we urge you to hold HB 1763 HD1.

Mahalo for the opportunity to provide this testimony.

## FINTestimony

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, February 26, 2009 8:05 AM  
**To:** FINTestimony  
**Cc:** unebasami@HawaiiTourismAuthority.org  
**Subject:** Testimony for HB1763 on 2/27/2009 3:00:00 PM

**Attachments:** HB1763 HD1 02-27-09 FIN Tourism Department-HTA Repeal.doc



HB1763 HD1  
2-27-09 FIN Touris.  
Testimony for FIN 2/27/2009 3:00:00 PM HB1763

Conference room: 308  
Testifier position: oppose  
Testifier will be present: Yes  
Submitted by: Lloyd Unebasami  
Organization: Hawaii Tourism Authority  
Address: 1801 Kalakaua Avenue Honolulu, Hawaii  
Phone: 808-973-2264  
E-mail: unebasami@HawaiiTourismAuthority.org  
Submitted on: 2/26/2009

Comments:

## **FINTestimony**

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, February 26, 2009 10:44 PM  
**To:** FINTestimony  
**Cc:** Toni@a3h.org  
**Subject:** Testimony for HB1763 on 2/27/2009 3:00:00 PM

Testimony for FIN 2/27/2009 3:00:00 PM HB1763

Conference room: 308  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Toni Marie Davis  
Organization: Activities & Attractions Association of Hawaii  
Address: 1361 Makawao Ave Makawao, Hawaii 96768  
Phone: 808-871-7947  
E-mail: Toni@a3h.org  
Submitted on: 2/26/2009

**Comments:**

With the struggling global economy, competition for visitors increases. Some of our longtime and most steadfast visitors are no longer choosing Hawaii. Now is NOT time for changes to our Tourism Authority funding or structure. Now is a time to sharpen pencils and work smarter!

Testimony of Doug Sears

HB 960 HD1 Relating to the Hawaii Tourism Authority: I SUPPORT THIS BILL - This measure would clarify that the Hawaii Tourism Authority's ("HTA") Emergency Trust Fund could be used to respond to an economic crisis. The existing \$5 million fund could be a valuable asset at times like this.

HB 1204 HD1 Relating to Tourism: I SUPPORT THIS BILL - This measure provides the opportunity to temporarily obtain additional funds for the HTA. These funds would greatly aid additional marketing efforts and help overcome our current economic problems.

HB 1763 HD1 Relating to Hawaii Tourism Authority: I OPPOSE THIS BILL - This measure would replace the HTA with a Department of Tourism. We believe this would be a step backward and reduce industry experts involvement in the decision making process. This is also the worst possible time to be making a change of this significance.