



LIAISON

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 TOURISM, CULTURE & INTERNATIONAL AFFAIRS
Monday, February 2, 2009
8:30 a.m.
State Capitol, Conference Room 312

in consideration of
HB 678
RELATING TO THE HAWAII TOURISM AUTHORITY.

Chair Manahan, Vice Chair Tokioka and Members of the House Committee on Tourism, Culture and International Affairs.

The Department of Business, Economic Development and Tourism (DBEDT) is offering comments and sharing our concerns about HB 678, which requires the Hawai'i Tourism Authority to submit an annual budget to the legislature for approval. It also requires a maximum expenditure limit on marketing, product development and administration, while allowing for adjustments within each of the three categories, as long as they do not exceed the respective maximum expenditure limits.

The Hawai'i Tourism Authority is an attached agency of DBEDT and, as such, submits their budget request as part of the executive budget submitted to the Legislature in December prior to the Legislative session. BED 113/TO is the title and program code for the authority and BED 113/XC is for the Hawai'i Convention Center.

000009

We are opposed to legislating maximum expenditure limits for programs and activities as related to marketing and product development because it does not allow the authority and its board to develop plans and budgets based upon market conditions and opportunities to enhance the product, develop new markets, or react to tourism trends in a timely manner.

By statute, the authority can only spend 5% of its revenue on administration, therefore legislating a maximum expenditure limit on this category is not necessary.

The key to successful marketing is to be strategic but flexible, in order to react to changing market conditions and be able to take advantage of new opportunities. Setting maximum limits on expenditures does not allow for this. Therefore, we humbly ask that this bill be held, as it would limit the authority's board and staff from operating as effectively and efficiently as possible.

Furthermore, if the intent of HB 678 is to have better communication between the authority and the Legislature regarding budget allocations and the need for changes, we believe that this can be accomplished without legislation and feel that all parties would be willing to work closer with the Legislature moving forward.

Thank you for the opportunity to comment on HB 678.

LATE TESTIMONY

HOUSE OF REPRESENTATIVES
25th LEGISLATURE
REGULAR SESSION of 2009

COMMITTEE ON TOURISM, CULTURE & INTERNATIONAL AFFAIRS
Representative Joey Manahan, Chair

2/02/09
8:30 AM – Room 312

HB 678
Relating to Hawaii Tourism Authority (HTA)

Chair Manahan and members of this Committee, my name is Max Sword, here on behalf of Outrigger Hotels, to oppose this bill.

In the past the Legislature used to set and approve the tourism marketing budget when it was under DBEDT. This was a cumbersome process that did not allow for two of the important pillars in worldwide marketing, long-term planning and the flexibility to change those plans.

This ability to plan long-term, puts a pinch on long-term relationships and commitments when dealing with those around the globe. The flexibility to change as markets change and the ability to move funds around to adjust to those changes, is what was not possible when DBEDT had to submit a yearly budget.

This bill would return tourism marketing back to the “dark ages” of short-term, inflexible marketing efforts, which is why the HTA was formed in the first place.

We urge that you hold this bill and mahalo for allowing me to testify.

000011