

LINDA LINGLE  
Governor

LLOYD I. UNEBASAMI  
Interim President and  
Chief Executive Officer

# Hawai'i Tourism Authority

Hawai'i Convention Center, 1801 Kalākāua Avenue, Honolulu, Hawai'i 96815  
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Testimony of  
**Lloyd I. Unebasami**  
Interim President and Chief Executive Officer  
Hawai'i Tourism Authority

on  
**S.B. 1227, S.D. 2**  
**Relating to the Hawaii Tourism Authority**

House Committee on Tourism, Culture, & International Affairs  
Monday, March 16, 2009  
8:30 a.m.  
Conference Room 312

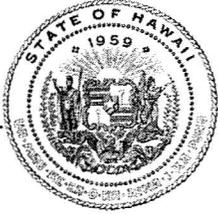
The Hawai'i Tourism Authority (HTA) strongly opposes S.B. 1227, S.D. 2, which proposes to establish a Department of Tourism and abolish the Hawai'i Tourism Authority. There are several points that we would like to point out:

- The HTA was established in 1998 based on the proposals made by the Economic Revitalization Task Force (ERTF) which concluded that in order to have a cohesive plan for Hawai'i's tourism industry, the State needed to have one entity responsible and accountable for all aspects of tourism – policy development, marketing, market development, product development and impact monitoring. Since its existence, HTA has performed the following:
  - Setting tourism policy and development from a statewide perspective;
  - Developing and implementing the state's tourism marketing plan and efforts;
  - Developing and monitoring implementation of the Hawai'i Tourism Strategic Plan (TSP);
  - Developing tourism programs with partners in the community, government and industry to sustain a healthy visitor industry; and
  - Coordinating tourism-related research, planning, promotional, and outreach activities with the public and private sectors.
- Furthermore, the ERTF recommended that a public-private board be established to assure that promotion dollars are effectively expended. The implementation of these recommendations and the operational efficiencies authorized by the Legislature since its creation have allowed the HTA to operate efficiently and effectively and function as the entity proposed by the ERTF.

A Department of Tourism will not be able to function as efficiently or effectively as the ERTF envisioned.

For these reasons we oppose S.B. 1227. Thank you for the opportunity to offer these comments.

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## **TOURISM LIAISON**

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**LINDA LINGLE**  
GOVERNOR  
**MARSHA WIENERT**  
TOURISM LIAISON

Statement of  
**MARSHA WIENERT**  
**Tourism Liaison**  
Department of Business, Economic Development & Tourism  
before the  
**HOUSE COMMITTEE ON TOURISM, CULTURE & INTERNATIONAL AFFAIRS**  
Monday, March 16, 2009  
8:30 a.m.  
State Capitol, Conference Room 312

in consideration of  
**SB 1227 SD2**  
**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 has concerns with SB 1227 SD2, which repeals the Hawai'i Tourism Authority; establishes the department of tourism; establishes an interagency working group to facilitate the transitioning of the department of tourism; transfers the convention center enterprise special fund, the tourism special fund, and the 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 SB 1227 SD2 at this time.

Thank you for the opportunity to comment on this measure.

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OFFICE OF THE MAYOR  
**CITY AND COUNTY OF HONOLULU**  
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MUFI HANNEMANN  
MAYOR



March 13, 2009

The Honorable Joey Manahan, Chairman  
and Members  
Committee on Tourism, Culture, and  
International Affairs  
House of Representatives  
State Capitol  
Honolulu, Hawaii 96813

Dear Chairman Manahan and Representatives:

I am offering this testimony in support of Senate Bill 1227, S.D. 2, Relating to the Hawaii Tourism Authority, which proposes to abolish the Hawaii Tourism Authority in favor of a Department of Tourism in the executive branch of state government.

It comes as no coincidence that the U.S. Conference of Mayors, of which I serve as chairman of its standing committee on tourism, has as one of its 10 national priorities the establishment of a cabinet-level secretary of tourism. With tourism showing tremendous strength as a leading industry in cities and states across the nation, the nation's mayors have agreed that it merits the prominence of cabinet status, along with funding to sponsor marketing and the authority to champion the easing of laws and barriers that hinder international travel. The establishment of a Hawaii Department of Tourism would mirror this national initiative.

When I served as Director of Business, Economic Development & Tourism during the Waihee administration, one of my earliest actions was emphasizing "tourism" in the agency's name to reflect the priority we placed on the industry. We succeeded in pushing through what was, at the time, the largest increase in marketing funding for tourism and launched a number of programs to diversify the industry and attract visitors, such as food festivals on each island, an Aloha on Tour promotional campaign, regional cuisine promotions, sports sponsorships, and film and television tie-ins. We were able to maneuver through some difficult times—economic recessions in the United States and Japan, the Gulf War, and Hurricane Iniki—because, as an executive-level agency, we had the ability to react quickly to problems, the flexibility to create programs that addressed the needs of the industry and market, and the support of the administration and Legislature.

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The Honorable Joey Manahan, Chairman  
and Members  
March 13, 2009  
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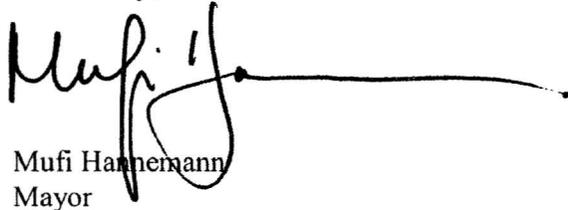
While I will withhold comment on the many details of this measure, it appears that the goal of Senate Bill 1227, S.D. 2, is to restore that level of flexibility, and direct accountability, to the state's tourism activities. Other state agencies operate under similar fiscal conditions and legislative oversight, and it may be time for the state's tourism program to return to the fold.

While at DBEDT, we also provided funding to the county governments to underwrite marketing campaigns and projects specific to their needs and goals. If it is the intent of this legislative proposal to provide more funding directly to the county governments, then it certainly merits our strong support.

I encourage you to give this measure your continued consideration.

With warm regards and aloha,

Yours truly,

A handwritten signature in black ink, appearing to read "Mufi Hannemann", with a long horizontal line extending to the right from the end of the signature.

Mufi Hannemann  
Mayor

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**HAWAII HOTEL & LODGING  
ASSOCIATION**

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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)

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

**March 16, 2009**

**RE: SB 1227 SD2 Relating to the Hawaii Tourism Authority**

Good morning Chairman Manahan and members of the House Committee on Tourism, Culture and International Affairs. 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 SB 1227 SD2 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 comment,

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# Diamond Hawaii

Resort & Spa

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March 16, 2009

Rep. Joey Monahan  
Chairperson  
Committee on Tourism, Culture & International Affairs  
State of Hawaii

RE: SB 1227 SD2 The Hawaii Tourism Authority  
DATE: March 16, 2009 (Mon)  
TIME: 8:30 AM

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Dear Rep. Monahan and Committee Members:

On behalf of Diamond Resort, its owners and employees, we strongly oppose the repealing of Hawaii Tourism Authority and establishing Tourism Department.

I understand and agree with you that HTA had major problems in the last several months. I agree that HTA has not achieved all of its goals to the level we are satisfied. However, HTA has come a long way and definitely improved the State's tourism. The marketing effectiveness in all Major Marketing Areas are greatly advanced from 10 years ago. Hawaii's brand awareness is also much better. Please do not put us back to the struggling situation before 1998.

As chair of HTA's Strategic Planning Committee and together with new CEO, I promise that I will dedicate myself to establish its Strategic Goals and Action Plans that you will agree with.

We thank you for your attention on this issue. Your consideration to keep Hawai'i an attractive and competitive destination is much appreciated.

Sincerely,

  
Kyoko Y. Kimura, CHA  
Managing Director

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