

**HB 960, HD2**

**Relating to the Hawaii Tourism Authority**



LINDA LINGLE  
Governor

LLOYD I. UNEBASAMI  
Interim President and  
Chief Executive Officer

# Hawai'i Tourism Authority

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Testimony of  
**Lloyd I. Unebasami**  
Interim President and Chief Executive Officer  
Hawai'i Tourism Authority  
on  
**H.B. 960, H.D. 2**  
**Relating to the Hawai'i Tourism Authority**

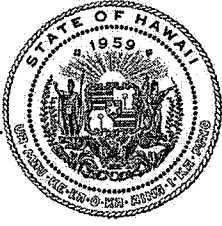
Senate Committee on Tourism  
Thursday, March 19, 2009  
2:45 p.m.  
Conference Room 229

The Hawai'i Tourism Authority (HTA) strongly supports H.B. 960 H.D. 2 which amends the definition of "tourism emergency" to include regional and worldwide economic crisis.

The current law requires the "occurrence of a world conflict, terrorist threat, natural disaster, outbreak of disease, or other catastrophic event..." As such, under the current law, it may be questionable whether the Tourism Emergency Trust Fund can be used to address events caused by the current economic conditions, or other events that are not caused by a catastrophic event.

The amendments proposed by H.B. 960, H.D. 2, will allow the HTA to respond quickly to a tourism emergency that is caused by a regional or worldwide economic crisis.

Thank you for the opportunity to offer these comments.



## TOURISM LIAISON

LINDA LINGLE  
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MARSHA WIENERT  
TOURISM LIAISON

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Statement of  
**MARSHA WIENERT**  
**Tourism Liaison**  
Department of Business, Economic Development & Tourism  
before the  
**SENATE COMMITTEE ON TOURISM**  
Thursday, March 19, 2009  
2:45 p.m.  
State Capitol, Conference Room 229

in consideration of  
**HB 960 HD2**  
**RELATING TO THE HAWAII TOURISM AUTHORITY.**

Chair Nishihara, Vice Chair Galuteria and Members of the Senate Committee on Tourism.

The Department of Business, Economic Development and Tourism strongly supports HB 960 HD2.

HB 960 HD2 broadens the scope of a "tourism emergency" to include a *regional or worldwide economic crisis*, and we concur with this broadened language.

Thank you for the opportunity to comment on HB 960 HD2.

## **nishihara2 - Bert**

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**From:** Torchiana, Maynard [maynard@drhmaui.com]  
**Sent:** Monday, March 16, 2009 4:21 PM  
**To:** TSM Testimony  
**Subject:** Senate Tourism Committee Hearing Thursday March 19th, 2009 at 2:45 PM

Aloha Honorable Committee

I would like to submit my testimony on the four bills being discussed. Thank you in advance for your indulgence.

I have been in the tourism business for the past 22 years on Maui. I have been chairman of the Maui Visitors Bureau three times over the years. I have been on the Executive Board of HCVB. I have travelled on Asia Missions with two Governors and three Mayors of Maui County. I supported Hawaii in Germany at ITB for 7 years. I Co Founded the Wailea Destination Association, which is now under the direction of the Wailea Community Association of which I am the Vice President of the Board. I attended trade shows and media receptions throughout the United States. I am a Certified Hotel Administrator. I have the largest short term rental property management company within the Wailea/Makena Resorts. I employ 120 people and depend on tourism. I would hope that you would consider me to be knowledgeable about our industry.

When the TAT was proposed as a method of generating sales and marketing revenues for tourism we supported the effort. As island chapters we supported it because we got a defined/fixed percentage of the funding for our county sales and marketing efforts. When HTA was formed we supported that as well. The understanding of how HTA was to function was clear. As we all know that has changed over the years. Now we have a crisis in our State and I am not sure who is at fault, but if we spend time pointing fingers and making changes now it is going to get a lot worse. Hawaii has an image problem and so do the outer islands. Marketing dollars can help to improve that image. HTA has become mired down in the political bureaucracy and it cannot function that way.

I support HB 960 HD2 to allow HTA access to the \$5M in the Tourism Emergency Fund and I beseech you to support it as well. We need to be proactive.

I support HB 1204 HD2 which would give \$10M in additional funding to HTA FY 2009-10. This money will go a long way to increasing visitors to our islands which in turn will provide jobs or better stated allow us to keep the employees we have rather than laying them off. Perhaps you might want to take a look at collecting TAT from all the people that should be paying. If you went on the VRBO web site for example, pulled up the names/addresses listed and the property they are advertising for transient rentals and crossed checked their property tax classification and their TAT reporting you will find discrepancies Statewide. I am convinced that between TAT and property taxes there could be as much as \$10M not collected that could be.

I oppose HB 1763 HD2 because I believe that this is not the time to make such a dramatic change. Sure we may all agree HTA is not perfect in fact it needs to change how it functions. I am convinced that the time it takes to convert over to another way of conducting and managing tourism is the wrong approach to take now.

I oppose HB 754 HD1 for the same reasons I have cited earlier. Changing the HTA Board composition is not the right thing to be doing now. Let's move forward and get Hawaii back as the best and only place in the world to vacation.

Respectfully Submitted

Maynard Torchiana | Executive Vice President/Managing Director  
Destination Resorts Hawaii | 3750 Wailea Alanui Drive #B51 | Wailea, Maui, HI 96753  
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Doug Sears  
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TO: Senator Clarence K. Nishihara, Chair  
The Senate Committee on Tourism

Testimony of Doug Sears, General Manager, Grand Hyatt Kauai Resort & Spa

**HB 960 HD2 -- RELATING TO THE HAWAII TOURISM AUTHORITY: I SUPPORT THIS BILL.**  
This measure would broaden the scope of a tourism emergency to include a regional or worldwide economic crisis, which would allow HTA to access the \$5 million in the Tourism Emergency Fund for the challenges we face today.

**HB 1204 HD2 -- RELATING TO TOURISM: I SUPPORT THIS BILL.** This measure would allocate an additional amount of funds to the tourism special fund (HTA funding) for FY 2009-10 and 2010-11. This bill started out appropriating \$10 million more each fiscal year however in the HD2 version the amount of funding is blank. We urgently need to invest additional marketing dollars towards jobs and economic recovery.

**HB 1763 HD2 -- RELATING TO THE HAWAII TOURISM AUTHORITY: I OPPOSE THIS BILL.** This measure repeals the Hawaii Tourism Authority and establishes a Department of Tourism, transfers the Convention Center Special Fund and the Tourism Special Fund to the newly created Department of Tourism. I believe that the current HTA structure and it's board of directors, especially now, is the correct approach.

**HB 754 HD1 -- RELATING TO THE HAWAII TOURISM AUTHORITY: I OPPOSE THIS BILL.** This measure removes the DBEDT, DOT and DLNR from the HTA Board of Directors. It also removes the State Foundation on Culture and the Arts from the board. All of these positions are non-voting positions on the Board. The State Strategic Tourism Plan identifies DOT, DLNR and the Tourism Liaison as being instrumental in achieving the goals established in the plan and I believe they should continue to be a part of the HTA Board of Directors. I do not believe that there is any justification for changing the make-up of the board.





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**TESTIMONY OF MURRAY TOWILL  
PRESIDENT  
HAWAII HOTEL & LODGING ASSOCIATION  
March 19, 2009  
RE: HB 960 HD2 Relating to the Hawaii Tourism Authority**

Good afternoon Chairman Nishihara and members of the Senate Committee on Tourism. 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 2,860 rooms of the Hilton Hawaiian Village to the 4 rooms of the Bougainvillea Bed & Breakfast on the Big Island.

The Hawaii Hotel & Lodging Association strongly supports HB 960 HD2 Relating to the Hawaii Tourism Authority. This bill would clarify that the Tourism Emergency Trust Fund could be utilized for an economic disaster as well as a natural or terrorist created disaster as indicated in the current statute. Our experiences over the last year clearly indicate the value of this step.

The US and Hawaii are currently facing the most severe economic times since the Great Depression of the 1930s. Unfortunately, the current law does not appear to allow the HTA to access the \$5 million in this Fund. Some of the funds could greatly aid Hawaii's effort to attract visitors and keep our people working.

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



**Testimony to the Senate Committee on Tourism  
Conference Room 229, State Capitol  
Thursday, March 19, 2009; 2:45 p.m.**

**RE: HOUSE BILL NO. 960 HD2, RELATING TO TOURISM EMERGENCY**

Chair Nishihara, Vice Chair Galuteria, and Members of the Committee:

The Chamber of Commerce of Hawaii supports HB 960 HD2, relating to Tourism Emergency.

The Chamber is the largest business organization in Hawaii, representing more than 1,100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. The organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

This measure adds a national or global economic crisis to situations considered a tourism emergency and requires, in addition to the governor's declaration of the existence of a tourism emergency, the governor's express approval and direction before action may be taken.

The Chamber, through its Tourism Committee, encourages a broad base of understanding, support and appreciation for the Tourism and Travel Industries within the business community, Legislature and the general public. The committee also supports visitor industry growth and improvement while working to enhance the visitor experience.

The Chamber understands the value and significance of the tourism industry to Hawaii's economy. Any decline in this sector harms all businesses, including small businesses that solely rely on tourism. Unfortunately, the industry is being exponentially impacted by the current economic situation.

The priorities are to increase visitors, create jobs and put our people back to work. As a result, the Chamber believes it is critical to respond to emergency situations on a timely basis to offset the impact on the industry. This bill will provide a mechanism to address emergency situations, thus mitigating potential negative outcomes.

The Chamber of Commerce and its Tourism Committee, therefore, support HB 960 HD2 and urges the committee's passage of this measure.

Thank you for the opportunity to provide written comments.



**nishihara2 - Bert**

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**From:** marievilla@latinbusinesshawaii.com  
**Sent:** Wednesday, March 18, 2009 10:05 AM  
**To:** TSM Testimony  
**Subject:** Bill 960 HD2

Senate Committee on Tourism  
Thursday, March 19, 2009  
2:45 p.m.  
Conference Room 229  
State Capitol

RE:Bill 960 HD2

Chair Nishihara, Vice Chair Galuteria, and members of the committee:

I oppose this bill, because I believe that it needs to be more specific. We've learned with the recent bailout that when dealing with this amount of money, there needs to be more stimulation made.

I oppose this bill until more stipulations are made to them in the sense of where and what are they going to spend 5M on. Are they going after the same tourism? What are they doing different that will create more jobs? Just to say they are doesn't mean they are.

More info please.

Thank you,  
Marie Villa



Senator Clarence Nishihara, Chair  
Senator Brickwood Galuteria, Vice Chair  
Committee on Tourism

HEARING      Thursday, March 19, 2009  
                  2:45 pm  
                  Conference Room 229  
                  State Capitol, Honolulu, Hawaii 96813

**RE:    HB960, HD2 Relating to the Hawaii Tourism Authority**

Chair Nishihara, Vice Chair Galuteria, and Members of the Committee:

Retail Merchants of Hawaii (RMH) is a not-for-profit trade organization representing 200 members and over 2,000 storefronts, and is committed to support the retail industry and business in general in Hawaii.

**RMH supports HB960, HD2**, which broadens the scope of a "tourism emergency" to include a regional or worldwide economic crisis.

While the existing statute defines a number of occurrences and disasters as tourism emergencies, there is no specific reference to the current economic crisis in which we find our state, as well as our nation.

Our tourism retailers are experiencing double-digit decreases in sales. Most that had expansion plans in the works have canceled them; some have just shut their doors. Layoffs and declines in job growth are an unfortunate consequence.

We respectfully request your support for HB960, HD2. Thank you for your consideration and for the opportunity to comment on this measure.

Carol Pregill, President

RETAIL MERCHANTS OF HAWAII  
1240 Ala Moana Boulevard, Suite 215  
Honolulu, HI 96814  
ph: 808-592-4200 / fax: 808-592-4202

**LATE**

THE SENATE  
25<sup>th</sup> LEGISLATURE  
REGULAR SESSION of 2009

COMMITTEE ON TOURISM  
Senator Clarence Nishihara, Chair

3/19/09  
2:45 PM

HB 960, HD 2  
Relating to Hawaii Tourism Authority (HTA)

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

This bill proposes to expand the definition of what a tourism emergency is, by including regional & global "economic disaster" in that definition.

This change would allow the HTA to access those funds now, because we are in an economic disaster.

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

**LATE**

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

**RE: HB 960 HD2 Relating to the Hawaii Tourism Authority**

Good afternoon Senator Nishihara and Senator Galuteria, and members of the Committee on Tourism. 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 supports HB 960 HD2 Relating to the Hawaii Tourism Authority (HTA). This bill would clarify that the HTA's Emergency Trust fund could be used to respond to an economic crisis as well as a natural or terrorist-created disaster as indicated in the current statute.

While the current economic situation is not a natural or terrorist-created disaster, it still represents a disaster to our state's economy and the people of Hawaii. Nearly every member of the state's population is being affected. Every day we read about declining visitor counts, layoffs, business closures, and this are affecting all of us.

Additional marketing funds such as the Emergency Trust Fund are critical in bringing back and maintaining the health of our state's largest industry.

We urge you to support this bill.

Mahalo,



Jerry Gibson  
Area Vice President, Hilton Hawaii