

SB 1227 – Relating to the Hawaii Tourism Authority

Repeals the Hawaii tourism authority, establishes 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; renames the department of business, economic development, and tourism to the department of business and economic development.



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, February 5, 2009
2:45 p.m.
State Capitol, Conference Room 229

in consideration of
SB 1227
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 has concerns with SB 1227, which repeals the Hawai'i Tourism Authority; establishes 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.

While we believe that this proposal may have merit and should be discussed further, we are concerned with its timing. 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.

Thank you for the opportunity to comment on SB 1227.



LINDA LINGLE
Governor

LLOYD I. UNEBASAMI
Interim President and
Chief Executive Officer

Hawai'i Tourism Authority

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Testimony of
Lloyd Unebasami
Interim President and Chief Executive Officer
Hawai'i Tourism Authority
on
S.B. 1227
Relating to the Hawaii Tourism Authority

Senate Committee on Tourism
Thursday, February 5, 2009
2:45 p.m.
Conference Room 229

The Hawai'i Tourism Authority (HTA) strongly opposes S.B. 1227 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 and market development, product development and impact monitoring. Since its existence, the 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.
- Section 9 of the bill voids all contractual obligations of the HTA upon its repeal. If enacted, this will have disastrous results for all of HTA's marketing, sports, and product development programs.

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

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MUFI HANNEMANN
MAYOR



February 4, 2009

The Honorable Clarence K. Nishihara, Chairman
and Members
Committee on Tourism
Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chairman Nishihara and Senators:

I am offering this testimony in support of Senate Bill 1227, 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

The Honorable Clarence K. Nishihara, Chairman
and Members
February 4, 2009
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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.

While I will withhold comment on the many details of this measure, it appears that the goal of Senate Bill 1227 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 flourish extending to the right.

Mufi Hannemann
Mayor



**HAWAII HOTEL & LODGING
ASSOCIATION**

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

February 5, 2009

RE: SB 1227 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 Hawai'i Hotel & Lodging Association.

The Hawai'i 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 Hawai'i Hotel & Lodging Association opposes SB 1227 Relating to the Hawaii Tourism Authority. This bill would repeal the Hawaii Tourism Authority ("HTA") statue 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.

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

THE SENATE
25th LEGISLATURE
REGULAR SESSION of 2009

COMMITTEE ON TOURISM
Senator Clarence Nishihara, Chair

2/5/09
2:45 PM

SB 1227
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 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 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.