

Chairman Manahan

Committee on Tourism, Cultural & International Affairs

Monday, February 1, 2010

Toni Marie Davis/Activities & Attractions Assoc. of Hawaii

[REDACTED] or [REDACTED]

Presentation in Support HB2417

This Bill modifies HRS468M

- Creates new record keeping process (Enable Proactive enforcement)
- Eliminates the Bond (Simplifies proactive enforcement & insufficient financial coverage)
- Adds Activity Desk registration to stickers when placed on Activity Provider brochures (Improves Enforcement)
- Prohibits booking an activity without collecting money (Corrects a fault found in the law as a result of an incident this summer)*

****For this last change A3H would like to propose a 3 day lead time for this collection and deposit to take place.***

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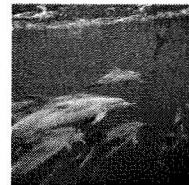
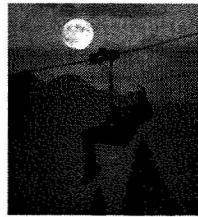


The Activities & Attractions Industry

All the fun stuff to do in Hawaii that makes

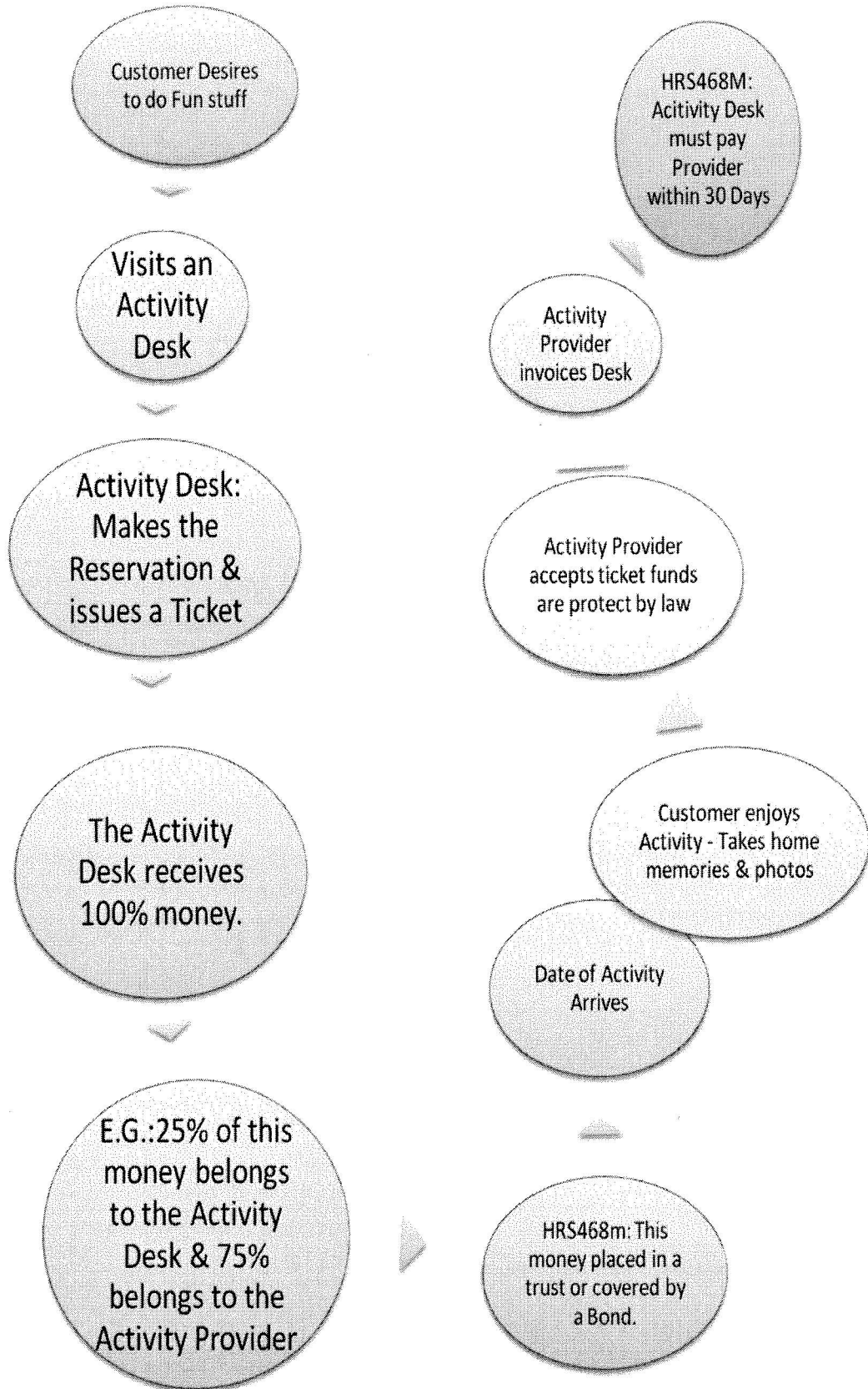
Memories

- Luau
- Snorkel Trips
- Hiking
- Surfing
- Land Tours
- Attractions
- Theater & Shows
- Helicopter Tours
- Kayaking
- Golf
- Zip lining
 - Stand up Paddle Board
 - Etc...

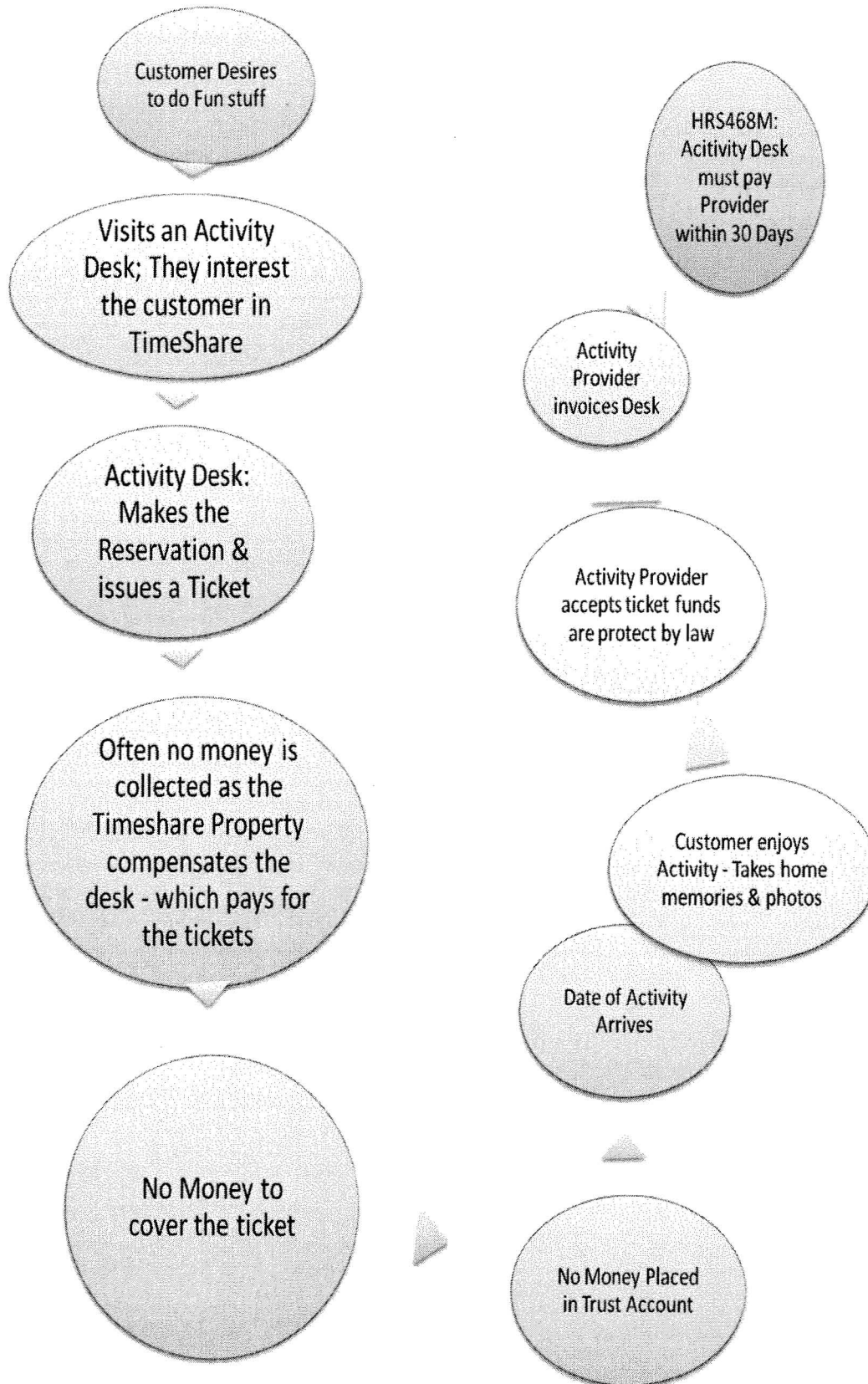


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Non Timeshare Activity Sale Flow



Timeshare Activity Sale Flow



History of Losses:

1993 WAVE: \$Millions Stolen

Act on the Books

1999 This Act became LAW HRS468M

2001 American Hawaii Cruises: \$Millions Stolen

2002 Activity Outlet (successfully enforced HRS468m)

Later 2003 Activity Outlet: over \$100Ks Stolen

2006 Coconut Activities: \$\$ Stolen

2007 Hawaii Travel Network: Millions Stolen

2008 Activity Stop: \$\$ Stolen

2009 Happy Vacations: \$\$ Stolen

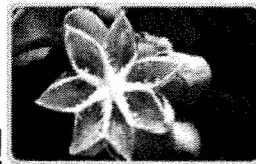
2009 Lahaina Ticket Company: \$500,000.00 +

Support HB2417

Which modifies HRS468M by

- Creates new record keeping process (Enable Proactive enforcement)
- Eliminates the Bond (Simplifies proactive enforcement & insufficient coverage)
- Adds Activity Desk registration to stickers when placed on Activity Provider brochures (Enforcement)
- Prohibits booking an activity without collecting and depositing funds into the trust account (Corrects a fault)*

****For this last change A3H would like to propose a 3 day lead time for this deposit to take place.***



MAHALO!

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Monday, 1 February, 2010 in room 312 at 0845

The House Committee on Tourism, Culture & International Affairs

In Question of the Advisability of HB 2417 Relating to Activity Desks

Chair Manahan and Respected Members of the Committee,

LATE TESTIMONY

My name is Reg white. I am vice president, project development, for Paradise Cruise, Ltd. PCL is a 52 year old company operating in the passenger excursion, eco tour, and dinner cruise business here on Oahu and from Lahaina on Maui as well as ground transportation on Oahu as SuperStar Hawaii Transit. We carry approximately 550,000 passengers each year on the water activities and just under 1 million passengers over the ground to various activities on Oahu. About 75% of these passengers are booked from an activity desk or a tour operating company here in Hawaii. Over the past 36 years that I have been associated with this industry, the only time we have been at all protected when a company closed it's doors was when they had a bond in place to protect the unpaid balances from their operations. We have found that when a company was going out of business and had no bond, but was supposedly in compliance with this act by reporting their operations and keeping a client trust account, always, just before the doors were closed for the last time, they drew down the trust account to pay their daily operating expenses and then closed the doors on all creditors owed for services rendered. This law does not require an activity desk to have a bond, it only makes it an alternative. We then, the activity supplier, have the opportunity to weigh the risk involved and chose to accept the word of a business with only a trust account, or we can require a bond if they wish to have a credit line with us and sell our products against that line.

I truly question the direction this bill is taking. I feel we are making our industry that provides the services to our visitors less safe from deceptive financial practices on the part of those very few less than honest and upright activity providers with which our industry is occasionally afflicted.

Thank you,

Reg White
vp, project development
Paradise Cruise, Ltd.
[REDACTED]
Honolulu, HI 96826-1919
[REDACTED]
[REDACTED]

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