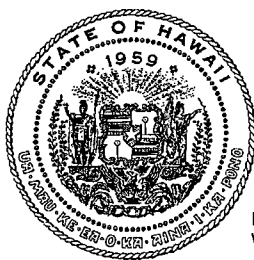


**HB 960**



# Hawai'i Tourism Authority

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LINDA LINGLE  
Governor

LLOYD I. UNEBASAMI  
Interim President and  
Chief Executive Officer

Testimony of  
**Lloyd I. Unebasami**  
Interim President and Chief Executive Officer  
Hawai'i Tourism Authority  
on  
**H.B. 960, H.D. 2, S.D. 1**  
**Relating to the Hawai'i Tourism Authority**

Senate Committee on Ways and Means  
Friday, April 3, 2009  
9:45 a.m.  
Conference Room 211

The Hawai'i Tourism Authority (HTA) strongly supports H.B. 960 H.D. 2, S.D. 1 which amends the definition of "tourism emergency" to include national or global economic crisis.

### Tourism research and statistics functions

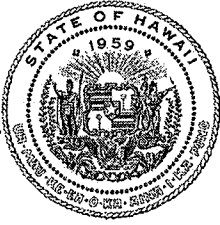
The conduct of timely and accurate tourism research including compilation and analysis of data is important for the development and implementation of an effective visitor industry program. The pairing of tourism statistical data with market intelligence of the various major market areas becomes even more critical given the volatility in tourism globally, nationally and locally.

In 1998, the Legislature in Act 156, Session Laws of Hawai'i 1998, directed that tourism-related data collection and basic research be conducted by the Department of Business, Economic Development and Tourism. Assigning those functions to the HTA is a policy decision that the Legislature should make with the understanding of the importance of those functions and the HTA's need to find the most efficient and timely source of tourism data.

### Tourism Emergency

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 bill, however, should be amended to refer to "regional" economic crisis rather than "national". There may be situations where an economic crisis that may not affect the nation as a whole adversely affects the Hawai'i tourism industry.

Thank you for the opportunity to offer these comments.



## **TOURISM LIAISON**

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

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Written statement of  
**MARSHA WIENERT**  
**Tourism Liaison**  
Department of Business, Economic Development & Tourism  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**  
Friday, April 3, 2009  
9:45 a.m.  
State Capitol, Conference Room 211

in consideration of  
**HB 960 HD2 SD1**  
**RELATING TO THE HAWAII TOURISM AUTHORITY.**

Chair Kim, Vice Chair Tsutsui and Members of the Senate Committee on Ways and Means.

The Department of Business, Economic Development and Tourism (DBEDT) opposes HB 960 HD2 SD1 in its current form.

We support expanding the scope of a tourism emergency to include a national or global economic crisis. We strongly believe that the current world economic crisis has had the same effect that a world conflict, terrorist threat, natural disaster or outbreak of disease would have on Hawai'i's tourism industry and the State's economy. Therefore, allowing access to the tourism emergency fund for this reason is justifiable.

However, we were surprised to see that the SD1 version of the bill transfers the tourism research function from DBEDT to HTA. The State of Hawai'i is known internationally for having the best tourism research in the world. This reputation and the caliber of data that we have should not be compromised by having the HTA—the State's lead agency and advocate for Hawai'i's tourism industry—assume the data collection, processing and reporting functions that help to measure the success of the industry. If this transfer is made, the data would be suspect and the credibility of the reports questioned. We caution that the unintended consequences of this move would have grave effects on a resource that many Hawai'i businesses depend on.

Thank you for allowing us to voice our opposition to HB 960 HD2 SD1.



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of  
**THEODORE E. LIU**  
Department of Business, Economic Development, and Tourism  
before the  
and  
**SENATE COMMITTEE ON WAYS AND MEANS**

Friday, April 3, 2009  
9:45 a.m.  
State Capitol, Conference Room 211

in consideration of  
**HB 960, HD 2, SD 1**  
**RELATING TO THE HAWAII TOURISM AUTHORITY**

Chair Kim, Vice Chair Tsutui and Members of the Senate Committees on Ways and Means.

We would like to provide detailed concerns about the sections 2 and 3 of this bill transferring responsibility for tourism research and statistics from DBEDT to the Hawaii Tourism Authority (HTA), which we respectfully oppose.

Responsibility for the state's tourism and statistics program was assigned to DBEDT under Act 156 of 1998, which also created the HTA. Over the last decade, under the department's Research and Economic Analysis Division (BED 130), the tourism research program has expanded the range and depth of data collected on the visitor industry, while maintaining a very efficient and cost-effective operation. The program is headed by a Research and Statistics officer and has four staff positions that engage in all aspects of the data collection and analysis process from developing Requests for Proposals, through the contracting and monitoring process, to the final validation, organization and publication of data and research findings. Accuracy and service to the policy and business users of the data

and analyses are top priorities of the program. The program continuously looks for ways to improve the quality and timeliness of the information.

Several aspects of the proposed transfer are of concern to DBEDT. First, we are concerned about the effective management of such a critical research function outside of the context of a larger research program. Currently the tourism program is overseen by the Economics Research Administrator and is supported by the economic and statistical resources of the other branches in BED 130. This ensures that generally accepted tourism research theories, concepts and methods are in place and kept current. It also provides for additional assistance in verifying the work of contractors and identifying issues with incoming survey data that may need attention. The tourism research program is also able to take advantage of shared clerical assistance, specialized analytical expertise, internet support for data dissemination and other research oriented assistance found in the Research and Economic Analysis Division.

Second, we believe that maintaining an arms-length separation between the agency that is charged with achieving tourism goals and the agency that measures how well those goals have been met, provides for stronger public confidence in both the data and the respective agencies. The separation of the collection of data and the marketing and promotion of tourism is standard in many jurisdictions, including the Canadian government.

Finally, we are concerned about the uncertainty created for the current tourism research staff.

Thank you for the opportunity to offer these comments.



**The Chamber of Commerce of Hawaii**  
*The Voice of Business in Hawaii*

**Testimony to the Senate Committee on Ways and Means  
Conference Room 211, State Capitol  
Friday, April 3, 2009; 9:45 a.m.**

**RE: HOUSE BILL NO. 960 HD2, SD1 RELATING TO TOURISM  
EMERGENCY**

Chair Kim, Vice Chair Lee, and Members of the Committee:

The Chamber of Commerce of Hawaii supports HB 960 HD2 SD1, 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 SD1 and urges the committee's passage of this measure.

Thank you for the opportunity to provide written comments.