



**TESTIMONY OF JAN K. YAMANE, ACTING STATE AUDITOR,  
ON HOUSE BILL NO. 1692, HOUSE DRAFT 2,  
RELATING TO TOURISM**

**Senate Committee on Tourism**

March 17, 2014

Chair Kahele and Members of the Committee:

Thank you for the opportunity to testify in support of HB 1692, HD 2. The purpose of this measure is to improve the efficiency, transparency, and accountability of the Hawai'i Tourism Authority by adopting recommendations from our 2013 Report No. 13-09, *Audit of Major Contracts and Agreements of the Hawai'i Tourism Authority*. We found that the authority's tourism marketing plan is dispersed, unwieldy, and falls short of statutory requirements. The "plan" is nearly 600 pages long and spread across more than a dozen documents. We recommended that the authority be required to develop a tourism marketing plan that is contained in a single, comprehensive document. We also recommended that the authority be required, as part of its annual report, to report on the progress of its tourism marketing plan in achieving its strategic plan goals. This bill would adopt our recommendations.

**Sections 1 and 3** amend HRS §§201B-3 and 201B-7 to make technical changes proposed by HTA. We have no position on whether or not the “tourism marketing plan” should be changed to a “brand management plan.”

**Section 2** responds to our recommendation that the HTA’s tourism marketing plan be contained within a single, comprehensive document. Section 2 (at page 8, line 17 of the bill) also addresses page 16 of our report in which we state, “...marketing plans of destination marketers are coordinated *after* finalization of the authority’s marketing plan....” Although this HTA practice may meet the intent of coordinating destination marketing plans, it is contrary to the statutory requirement that marketing plans be coordinated *prior* to finalization of the authority’s marketing plan and our concomitant recommendation that HTA evaluate whether Section 201B-6, HRS, should be amended and if so, propose such amendments to the Legislature. The bill proposes to delete the “prior” requirement at subsection 201B-6(a)(5), HRS.

**Section 4** of the bill addresses our recommendation that the Legislature require HTA to report on the progress of its marketing plan in achieving its strategic plan goals in its annual report.

Finally, we request that the effective date in **Section 6** (page 13, line 13) be amended to “upon approval.”

Thank you for the opportunity to testify in support of HB 1692, HD 2. I am available to answer any questions you may have.

# OFFICE OF INFORMATION PRACTICES

STATE OF HAWAII  
NO. 1 CAPITOL DISTRICT BUILDING  
250 SOUTH HOTEL STREET, SUITE 107  
HONOLULU, HAWAII 96813  
TELEPHONE: 808-586-1400 FAX: 808-586-1412  
EMAIL: oip@hawaii.gov

To: Senate Committee on Tourism

From: Cheryl Kakazu Park, Director

Date: March 17, 2014  
State Capitol, Conference Room 229

Re: Testimony on H.B. No. 1692, H.D. 2  
Relating to Tourism

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Thank you for the opportunity to submit testimony on this bill. The Office of Information Practices (“OIP”) had concerns about a confidentiality provision in an earlier version of the bill, which was deleted from the H.D. 2. However, after discussions between OIP and the Hawaii Tourism Authority (“HTA”), HTA came up with proposed language for a more narrowly drawn confidentiality provision that would be acceptable to OIP. Thus, OIP would not oppose amendment of this bill to add a confidentiality provision using the agreed-upon language.

Thank you for considering our testimony.



Hawai'i Convention Center  
1801 Kalākāua Avenue, Honolulu, Hawai'i 96815  
**kelepona** tel 808 973 2255  
**kelepa'i** fax 808 973 2253  
**kahua pa'a** web [hawaii-tourismauthority.org](http://hawaii-tourismauthority.org)

**Neil Abercrombie**  
*Governor*

**Mike McCartney**  
*President and Chief Executive Officer*

Testimony of  
**Mike McCartney**  
President and Chief Executive Officer  
Hawai'i Tourism Authority  
on  
**H.B. No. 1692, H.D.2**  
**Relating to Tourism**  
Senate Committee on Tourism  
Monday, March 17, 2014  
2:45 p.m.  
Conference Room 229

The Hawaii Tourism Authority (HTA) strongly supports H.B. No. 1692, H.D.2, with some amendments.

H.B. No. 1692, H.D.2, includes HTA's housekeeping amendments and amendments proposed in response to the Legislative Auditor's 2013 report.

H.B. 1692, H.D.2, deletes redundant language relating to the moneys deposited into the Convention Center Enterprise Special Fund and HTA's authority to "manage, improve, and protect the natural environment and areas frequented by visitors. It responds to the findings of the Legislative Auditor, by deleting language from the old law relating to the Office of Tourism, which was incorporated into the law when HTA was established, and inserts language to direct HTA to focus on strengthening the Hawai'i brand by marketing and development of the product and experience through a brand management plan, which is to be a single, comprehensive document. The brand management plan includes the strategies for brand marketing, brand sustainability, and brand experience. The "Hawaii brand" is defined as "...the programs that collectively differentiate the Hawaii experience from other destinations."

H.B. 1692, H.D. 2, excludes language proposed in H.B. 2436 and S.B. 2426, relating to the disclosure of sensitive research information. HTA has met with the Office of Information Practices to develop a new subsection that provides for the protection and appropriate disclosure of competitively sensitive research, brand management, and

marketing information. Our amendments are included in the proposed S.D. 1, which is attached.

Also included in the proposed S.D. 1, are amendments proposed in 2013 in S.B. 170, S.D. 1. S.B. 170, S.D. 1, which was passed by the Senate and passed two readings in the House, added a paragraph to section 201B-3 to recognize the importance of honoring the Native Hawaiian culture as the key aspect that separates Hawaii as a unique visitor experience, and emphasizing the importance of that culture and the community to the quality of Hawaii visitor experience. The amendments proposed by H.B. 1692, H.D.2, make it more appropriate that the amend proposed by S.B. 170, S.D. 1, be included as part of the housekeeping changes proposed by H.B. 1692, S.D. 1 and are included in the proposed S.D. 1, which is attached.

Other amendments proposed in the bill restructure the law for clarity and to conform to the other changes made in the bill.

For these reasons, we strongly urge the passage of H.B. 1692, H.D.2, with the amendments proposed in the attached S.D. 1.

Thank you for the opportunity to offer these comments.