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David Y. Ige
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President and Chief Executive Officer

Statement of
George D. Szigeti
Chief Executive Officer
Hawai'i Tourism Authority
on
SB1084 SD1 Relating to the Hawaii Tourism Authority
Senate Committees on Ways and Means & Judiciary and Labor
Tuesday, February 28, 2017
9:50 a.m.
Conference Room 211

Chairs Tokuda and Keith-Agaran, Vice Chairs Dela Cruz and Rhoads, and Members of the Committees:

The Hawai'i Tourism Authority (HTA) offers the following **comments** on SB1084 SD1, which would amend HTA's authorizing statute, HRS Chapter 201B, by making executive meeting minutes available to any legislator upon request, requiring disclosure of certain information after execution of market plans and strategies, requiring HTA to submit an unredacted report to the chairs of the legislative committees on tourism and finance regarding detailed and sensitive budgetary and contract information and directing that gubernatorial appointments to the Board be made within 90 days of receiving the list of applicable names.

While HTA supports the intent of the bill as amended, HTA must emphasize the importance of maintaining the confidentiality of the information that is disclosed to legislators. In this regard, HTA is particularly concerned with its executive session minutes. To assure the minutes remain confidential, HTA requests that the legislature consider adding the following language at page 4, line 16, which relates to HRS § 201B-4(a): "The governor and members of the legislature shall not disclose the executive meeting minutes to the public." When HTA acts in the marketplace on behalf of Hawai'i or otherwise works to position Hawai'i as a premier visitor destination, it is critical that strategic, propriety and other sensitive information be kept confidential. The legislature is an important partner with HTA as we work to build Hawai'i's business and competitive advantage.

HTA has no comment on the deadline for the Governor to appoint Board members, other than to clarify that such appointments are up to the Governor, or the expansion of HTA's current reporting requirements to include an additional year of budgeting of actual and planned expenditures and the disclosure of those reports to the chairs of the legislative committees on tourism and finance.

HTA and the Board take their duties to Hawai'i seriously. We welcome feedback on our decision-making processes, and we want engage the legislature in a discussion of the ways by which we can increase access to information and assure the legislature that we are acting in Hawai'i's best interests.

Mahalo for the opportunity to offer these comments.



HAWAI'I LODGING & TOURISM
ASSOCIATION

LATE

Testimony of

Mufi Hannemann
President & CEO
Hawai'i Lodging & Tourism Association

Committees on
Ways and Means
Judiciary and Labor

Senate Bill 1084 SD1: Relating to the Hawai'i Tourism Authority

Chair Tokuda, Chair Keith-Agaran, and members of the committees, mahalo for the opportunity to offer this testimony on behalf of the more than 700 members of the Hawai'i Lodging & Tourism Association.

We support Senate Bill 1084 SD1, which would stipulate open meeting, reporting, and board appointment requirements for the Hawai'i Tourism Authority.

The Hawai'i Tourism Authority is an important and vital contributor to, and supporter of, the state's top industry. Since its inception, the HTA has been the state's largest single source of public funding for marketing and promotion, and in so doing, has helped to diversify and sustain the industry. The authority is an invaluable partner in ensuring the remarkable success of tourism, which has enjoyed five consecutive years of record growth.

However, the Hawai'i Tourism Authority's internal governance practices, which was criticized of late by key legislators and industry stakeholders, point to a need for more openness and transparency in the administration of a public agency dispensing public money and greater accountability. Senate Bill 1084 SD1 seeks to ensure that the HTA's executive session marketing plans and strategies are properly disclosed after execution. It further seeks to give legislators more oversight into spending by the agency by requiring timely reports on its budget and expenditures, and establishes a timely appointment of the authority's board of directors. If the sunshine exemption is to be retained, there should be greater assurances that HTA exercise it in a much more judicious manner than has been done presently.

We strongly support the 90-day parameter given to the executive office for board appointment and the further stipulation that would default the appointment to the Senate President and Speaker of the House if the time limit is not met. We would like to recommend however that Section 201B of the Hawaii Revised Statutes highly emphasize that at least six of the 12 members of the HTA board of directors have substantive visitor industry experience, provided there are no conflicts of interest. We believe that direct industry input, through representatives on the authority board, will provide the experience and insight necessary in crafting our tourism strategies, cultivating existing markets and developing new ones, and finding other means of strengthening the state's number one industry.

Mahalo for the opportunity to testify.