

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: House Committee on Judiciary

From: Cheryl Kakazu Park, Director

Date: March 22, 2017, 2:00 p.m.
State Capitol, Conference Room 325

Re: Testimony on S.B. No. 1084, S.D. 2, H.D. 1
Relating to the Hawaii Tourism Authority

Thank you for the opportunity to submit testimony on this bill, which, among other things, would amend HRS Section 201B-4(a), a provision that currently **allows** the Hawaii Tourism Authority (“HTA”) Board to disclose information relating to marketing plans after their execution, to instead **require** the HTA Board to disclose such information. Additionally, this bill proposes to **require the HTA to submit an unredacted report of its detailed annual budget to the Governor and specified members of the Legislature**. OIP provides the following comments.

Chapter 92F, the Uniform Information Practices Act (UIPA), provides in section 92F-12(b)(2) that a government record that is **authorized** by law to be disclosed is therefore also **required** by law to be disclosed. Thus, **the UIPA would require, upon request, disclosure of marketing plans and strategies after their execution**. However, as the permissive language in HTA’s statute may have led the HTA Board to believe it was **not** required to disclose such information, the **proposed amendment will serve a useful purpose by clarifying that such disclosure is in fact required**.

Additionally, the UIPA **allows** the HTA to share information with other government agencies, including the Legislature. Section 92F-19(a)(6), HRS. This bill would **mandate** that the HTA provide an unredacted copy of its detailed budget information to the Governor, House Speaker, Senate President, and the chairs of the legislative committees with primary jurisdiction over tourism and financial oversight. To prevent the disclosure of “competitively sensitive information,” however, the bill requires the recipients of the unredacted report to not disclose it to the public if it contains information that may be withheld from public disclosure under section 201B-7(d). This bill is consistent with section 92F-19(b) requiring an agency receiving government records to be subject to the same restrictions on disclosure of the records as the originating agency, and it would not affect the public’s ability to request nonconfidential budget information from the HTA under the UIPA. Thus, **OIP believes that this provision appropriately balances the need for proper governmental oversight with protection of competitively sensitive information** that could otherwise harm Hawaii’s tourism interests.

OIP takes no position on the other provisions of the bill. Thank you for considering OIP’s testimony.

THE CIVIL BEAT
LAW CENTER FOR THE PUBLIC INTEREST

700 Bishop Street, Suite 1701
Honolulu, HI 96813

Office: (808) 531-4000
Fax: (808) 380-3580
info@civilbeatlawcenter.org

House Committee on Judiciary
Honorable Scott Y. Nishimoto, Chair
Honorable Joy A. San Buenaventura, Vice Chair

**RE: Testimony Commenting on S.B. 1084 S.D. 2 H.D. 1,
Relating to the Hawai`i Tourism Authority**
Hearing: March 22, 2017 at 2:00 p.m.

Dear Chair and Members of the Committee:

My name is Brian Black. I am the Executive Director of the Civil Beat Law Center for the Public Interest, a nonprofit organization whose primary mission concerns solutions that promote governmental transparency. Thank you for the opportunity to submit testimony **opposing the House draft that eliminated the requirement to publish a redacted version of the Hawai`i Tourism Authority (HTA) report to the Legislature.**

Despite the fanfare when this measure was introduced, as amended, it does nothing to advance government transparency.¹ And what little useful information the bill would have provided to the public, concerning summaries of HTA activities and expenditures, was stripped out in the most recent House draft. As the Office of Information Practices noted in its prior testimony on the Senate draft, the provision requiring HTA to produce both an unredacted and redacted version of the new annual report “appropriately balances the need for proper governmental and public oversight with protection of competitively sensitive information that could otherwise harm Hawaii’s tourism interests.”

The House draft lacks that reasonable balance and leaves the public in the dark for weeks – likely longer – while the Legislature is using the HTA report to address policy concerns. At the same time information is provided to the Legislature, the public should have access to nonconfidential information concerning State expenditure of taxpayer funds for one of our largest industries. Please reinstate the requirement for HTA to submit a redacted report.

Thank you again for the opportunity to testify.

¹ Allison Schaefer, *Bill Would End Secrecy at State Tourism Agency*, Honolulu Star-Advertiser (Jan. 23, 2017).



March 20, 2017

Senator Glenn Wakai
Chair, Committee on Economic Development, Tourism, and Technology
Senator Brian T. Taniguchi
Vice Chair, Committee on Economic Development, Tourism, and Technology

RE: SB 1084 SD2 - Testimony in Comment

Good afternoon. My name is Cheryl Williams and I am the General Manager of The Royal Hawaiian, A Luxury Collection Resort.

The ability to respond quickly to market changes is critically important for the State of Hawaii to sustain our competitive advantage in showcasing the tremendous value of Hawaii, the culture of its people, and the unique environment and physical attributes of our islands.

I am providing additional testimony in comment of SB 1084 SD2 for your consideration of two possible changes to maintain an efficient and effective process.

- Require the Hawaii Tourism Authority to maintain a fiduciary responsibility in the contract process rules to allow for better oversight and transparency for any line item changes requiring Hawaii Tourism Board approval
- Maintain the contracting exemption from the State Procurement Code to allow the Hawaii Tourism Authority to be nimble in responding to fluctuations in the rapidly changing marketplace with no thresholds

The Hawaii Tourism's Authority's primary purpose is to set policy guiding tourism's future for our State on a strategic basis.

Our responsibility is to create good jobs, to perpetuate our unique Hawaiian culture and to ensure that our local communities and families have the opportunity for a thriving and vibrant future.

Thank you for your consideration,

Cheryl Williams
General Manager , The Royal Hawaiian Hotel



HAWAI'I LODGING & TOURISM
ASSOCIATION

LATE

Testimony of

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

Committee on Judiciary

Senate Bill 1084 SD2 HD1: Relating to the Hawai'i Tourism Authority

Chair Nishimoto, Vice Chair San Buenaventura, and members of the committee, 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 SD2 HD1, which would require reports to the state legislature, and board appointment requirements for the Hawai'i Tourism Authority among other things.

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 has come under fire 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 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.

We appreciate the deliberations made in the House Committee on Tourism as major concerns that our association had expressed were addressed. Most prominently language was restored that exempted the Authority from the Hawaii Public Procurement Code, which if repealed would hinder HTA's ability to execute marketing efforts in a timely fashion.

Most importantly, we still strongly support provisions offered in this measure which sets the 90-day parameter given to the executive office for board appointment. However, we would like to strongly suggest that language from the measure's SD2 be restored in adding further stipulations that would default board appointment to the Senate President and Speaker of the House if the time limit is not met by the Governor. We would also like to recommend 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, offer stronger oversight and management of the HTA staff and consultants, and find other means of strengthening the state's number one industry.

We respectfully ask that the aforementioned comments regarding the board appointment process be considered in the committee's deliberations, and we humbly ask that you pass this bill through committee.

Mahalo for the opportunity to testify.



LATE

HOUSE OF REPRESENTATIVES
THE TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2017

COMMITTEE ON JUDICIARY
Representative Scott Y Nishimoto, Chair

3/22/2017
Rm. 325, 2:00 PM

SB 1084, SD 2, HD 1
Relating to the Hawaii Tourism Authority

Chair Nishimoto, and Members of this Committee, my name is Max Sword, here on behalf of Outrigger Hotels Hawaii, in support of the intent of SB 1084.

Outrigger Hotels supports the intent of this bill in that it provides a little more transparency in what the Hawaii Tourism Authority (HTA) does.

However, with that being said, we must be cognizant of the fact that due to the sensitivity nature of contract content, we must make sure that what information that is disclosed, does not compromise the efforts of the HTA.

Mahalo for allowing us to testify.



Hawai'i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815
kelepona tel 808 973 2255
kelepa'i fax 808 973 2253
kahua pa'a web hawaii-tourismauthority.org

David Y. Ige
Governor

George D. Szigeti
President and Chief Executive Officer

Statement of
George D. Szigeti
Chief Executive Officer
Hawai'i Tourism Authority



on
SB1084 SD2 HD1 Relating to the Hawaii Tourism Authority
House Committee on Judiciary
Wednesday, March 22, 2017
2:00 p.m.
Conference Room 325

Chair Nishimoto, Vice Chair San Buenaventura and Members of the Committee:

The Hawai'i Tourism Authority ("HTA") offers the following **comments on SB1084 SD2 HD1**, which would amend HTA's authorizing statute, HRS Chapter 201B, by 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.

HTA appreciates the amendments that the Committee on Tourism has made to the bill. Specifically, under the bill as revised, "[i]f the report contains information that may be withheld from public disclosure under section 201B-7 (d), the governor and members of the legislature shall not disclose the unredacted report to the public."

The Legislature is an important partner with HTA as we work to build Hawai'i's business and competitive advantage. HTA urges the Legislature to continue refraining from putting restrictions and limitations onto HTA that could inhibit our ability to compete in a competitive marketplace. 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 HTA retain flexibility and the ability to capitalize on swift, but worthwhile, opportunities for the State.

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.

LATE

**TESTIMONY OF CHRIS TATUM
AREA GENERAL MANAGER, MARRIOTT RESORTS HAWAII
March 22, 2017
RE: SB1084 Relating to Hawaii Tourism Authority**

My name is Chris Tatum, Area General Manager, and I am testifying on behalf of Marriott Resorts Hawaii in support SB1084 as amended.

1. Requires the Governor to appoint HTA Board members within 90 days of getting a list of nominees.
2. Requires the disclosure of marketing plans discussed in executive session, AFTER they have been executed.
3. Requires the HTA budget reports be given to legislators and any propriety information not be disclosed.
4. Board shall develop policies to use excess carryover funds.

Mahalo for the opportunity to submit my testimony.

Chris Tatum
Area General Manager
Marriott Resorts Hawaii

LATE

March 21, 2017

Senator Glenn Wakai
Hawaii State Senate
Kalihi-Salt Lake-Foster Village
Hawaii State Capitol, Room 216
415 South Beretania Street
Honolulu, Hawaii 96813

Senator Wakai,

I am in support of Senate Bill 1084 and the checks and balances need to instill HTA's accountability and transparency which it owes to the legislator, our community and the industry. I support the following:

1. Mandates the Governor pick a nominee to the HTA Board within 90 days of receiving names.
2. Requires the disclosure of marketing plans discussed in executive session, AFTER they have been executed.
3. Requires the HTA budget reports be given to legislators and any propriety information not be disclosed.
4. Board shall develop policies to use excess carryover funds.

Your involvement and oversight in this matter is greatly appreciated.

Sincerely,

David H. Uchiyama
President and CEO
Island Air

**TESTIMONY OF JERRY GIBSON
AREA VICE PRESIDENT, HILTON HAWAII
March 22, 2017
RE: SB1084 Relating to Hawaii Tourism Authority**

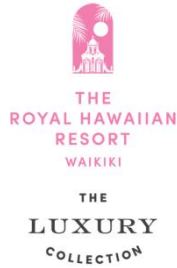
LATE

My name is Jerry Gibson and I am the area vice president, Hawaii region, for Hilton. I am testifying on behalf of the Hilton properties across the state and we support SB1084 as amended.

1. Requires the Governor to appoint HTA Board members within 90 days of getting a list of nominees.
2. Requires the disclosure of marketing plans discussed in executive session, AFTER they have been executed.
3. Requires the HTA budget reports be given to legislators and any propriety information not be disclosed.
4. Board shall develop policies to use excess carryover funds.

Mahalo for the opportunity to submit my testimony.

Jerry Gibson
Area Vice President
Hilton



LATE

March 22, 2017

RE: SB 1084 SD2 HD 1 – Testimony on March 22, 2017

Good afternoon. My name is Cheryl Williams and I am the General Manager of The Royal Hawaiian, a Luxury Collection Resort.

The Hawaii Tourism's Authority's primary purpose is to set policy guiding tourism's future for our State on a strategic basis, and its ability to respond quickly to market changes is critically important for the State of Hawaii, thus I am testifying on behalf of The Royal Hawaiian Hotel in comment of SB 1084 SD2 as amended:

- The Governor is obliged to appoint HTA Board Members within 90 days of getting a list of nominees.
- The disclosure of marketing plans in the executive session after the plans has been executed.
- Requires the HTA budget reports to be given to legislators and any propriety information can be withheld from the budget reports.
- HTA Board shall develop policies for the use of excess carryover funds.

Thank you for your time and this opportunity to submit my testimony.

Cheryl Williams
General Manager
The Royal Hawaiian Hotel

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 3:21 PM
To: JUDtestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB1084 on Mar 22, 2017 14:00PM*

SB1084

Submitted on: 3/21/2017

Testimony for JUD on Mar 22, 2017 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

LATE

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: House Committee on Judiciary

From: Cheryl Kakazu Park, Director

Date: March 22, 2017, 2:00 p.m.
State Capitol, Conference Room 325

Re: Testimony on S.B. No. 1084, S.D. 2, H.D. 1
Relating to the Hawaii Tourism Authority

Thank you for the opportunity to submit testimony on this bill, which, among other things, would amend HRS Section 201B-4(a), a provision that currently **allows** the Hawaii Tourism Authority (“HTA”) Board to disclose information relating to marketing plans after their execution, to instead **require** the HTA Board to disclose such information. Additionally, this bill proposes to **require the HTA to submit an unredacted report of its detailed annual budget to the Governor and specified members of the Legislature**. OIP provides the following comments.

Chapter 92F, the Uniform Information Practices Act (UIPA), provides in section 92F-12(b)(2) that a government record that is **authorized** by law to be disclosed is therefore also **required** by law to be disclosed. Thus, **the UIPA would require, upon request, disclosure of marketing plans and strategies after their execution**. However, as the permissive language in HTA’s statute may have led the HTA Board to believe it was **not** required to disclose such information, the **proposed amendment will serve a useful purpose by clarifying that such disclosure is in fact required**.

Additionally, the UIPA **allows** the HTA to share information with other government agencies, including the Legislature. Section 92F-19(a)(6), HRS. This bill would **mandate** that the HTA provide an unredacted copy of its detailed budget information to the Governor, House Speaker, Senate President, and the chairs of the legislative committees with primary jurisdiction over tourism and financial oversight. To prevent the disclosure of “competitively sensitive information,” however, the bill requires the recipients of the unredacted report to not disclose it to the public if it contains information that may be withheld from public disclosure under section 201B-7(d). This bill is consistent with section 92F-19(b) requiring an agency receiving government records to be subject to the same restrictions on disclosure of the records as the originating agency, and it would not affect the public’s ability to request nonconfidential budget information from the HTA under the UIPA. Thus, **OIP believes that this provision appropriately balances the need for proper governmental oversight with protection of competitively sensitive information** that could otherwise harm Hawaii’s tourism interests.

OIP takes no position on the other provisions of the bill. Thank you for considering OIP’s testimony.



HAWAI'I LODGING & TOURISM
ASSOCIATION

LATE

Testimony of

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

Committee on Judiciary

Senate Bill 1084 SD2 HD1: Relating to the Hawai'i Tourism Authority

Chair Nishimoto, Vice Chair San Buenaventura, and members of the committee, 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 SD2 HD1, which would require reports to the state legislature, and board appointment requirements for the Hawai'i Tourism Authority among other things.

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 has come under fire 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 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.

We appreciate the deliberations made in the House Committee on Tourism as major concerns that our association had expressed were addressed. Most prominently language was restored that exempted the Authority from the Hawaii Public Procurement Code, which if repealed would hinder HTA's ability to execute marketing efforts in a timely fashion.

Most importantly, we still strongly support provisions offered in this measure which sets the 90-day parameter given to the executive office for board appointment. However, we would like to strongly suggest that language from the measure's SD2 be restored in adding further stipulations that would default board appointment to the Senate President and Speaker of the House if the time limit is not met by the Governor. We would also like to recommend 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, offer stronger oversight and management of the HTA staff and consultants, and find other means of strengthening the state's number one industry.

We respectfully ask that the aforementioned comments regarding the board appointment process be considered in the committee's deliberations, and we humbly ask that you pass this bill through committee.

Mahalo for the opportunity to testify.

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 22, 2017 5:02 PM
To: JUDtestimony
Cc: hawaiiifishingfanatic@gmail.com
Subject: Submitted testimony for SB1084 on Mar 22, 2017 14:00PM

SB1084

Submitted on: 3/22/2017

Testimony for JUD on Mar 22, 2017 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Don Aweau	Individual	Support	Yes

Comments: In steadfast support of the measure in the interest of public transparency and to clarify the requirement to share information for proper oversight. Without checks and balances, the agency could do as they please. HTA's importance to our island economy is the very reason it must be held accountable for its action and proper management. Mahalo for the opportunity to testify.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov